

**WASATCH COUNTY**  
**Financial Statements**  
**and Supplementary Information**  
December 31, 2005

# WASATCH COUNTY

## Financial Statements

Year Ended December 31, 2005

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# WASATCH COUNTY

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WASATCH COUNTY

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**MANAGEMENT'S  
DISCUSSION  
AND ANALYSIS**

# MANAGEMENT'S DISCUSSION AND ANALYSIS

This discussion of Wasatch County's financial performance provides an overview of the County's financial activities for the year ending December 31, 2005. This report is in conjunction with the County's financial statements. All amounts, unless otherwise indicated, are expressed in **thousands of dollars** from pages MDA-1 to MDA-8.

The purpose of the County is to provide general services to its residents, which include general government, public safety, public health, highways and public improvements, park and recreation, and economic development. Additional services provided to residents in the unincorporated areas include road maintenance and fire control.

## Financial Highlights

- The assets of Wasatch County exceeded its liabilities as of the close of the most recent year by \$60,122 (net assets). Of this amount \$10,007 (unrestricted net assets) may be used to meet the government's ongoing obligations to citizens and creditors.
- The government's total net assets increased by \$7,605.
- The revenues were more and the expenditures were less than the adopted budgeted amounts.
- At the close of the current year, the Wasatch County governmental funds reported combined ending fund balances of \$11,065, an increase of \$222 in comparison with the prior year. Approximately 29 percent of this total amount, \$3,212 is available for spending at the government's discretion (unreserved fund balance).
- At the end of the current year, unreserved fund balance for the general fund was \$3,212 or 25 percent of total general fund expenditures.

## Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to Wasatch County's basic financial statements. Wasatch County's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

### Government-wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of Wasatch County's finances, in a manner similar to a private-sector business.

The statement of the net assets presents information on all of Wasatch County's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of Wasatch County is improving or deteriorating.

The statement of activities presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of Wasatch County that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges. The governmental activities of Wasatch County include general government, public safety, public health, highways and public improvements, parks and recreation, and economic development. The business-type activities of Wasatch County include solid waste services, sewer, road maintenance, municipal and industrial water and also secondary water for supplemental and agricultural purposes.

The government-wide financial statements include not only Wasatch County itself (known as the primary government), but also five legally separate special service districts for which Wasatch County is financially accountable. They include Heber Valley Special Service District, Jordanelle Special Service District, Timberlakes Water Special Service District, Wasatch County Fire Protection Special Service District and Wasatch County Special Service District #9 (Mineral lease monies). Financial information for these component units is reported separately from the financial information presented for the primary government itself and may be obtained in the management and discussion analysis of each individual component unit.

Refer to the table of contents for the location of the government-wide financial statements.

### **Fund financial statements**

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Wasatch County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of Wasatch County can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

### **Governmental funds**

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

Wasatch County maintains seventeen individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, special events center fund, parks and recreation debt service fund and government buildings fund all of which are considered to be major funds. Data from the other thirteen governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

Wasatch County adopts an annual appropriated budget for all its governmental funds. Budgetary comparison statements have been provided for the general fund and major special revenue funds to demonstrate compliance with those budgets.

Refer to the table of contents for the location of the basic governmental fund financial statements.

### **Proprietary funds**

Wasatch County maintains eight individual business-type funds. Information is presented separately in the proprietary funds statement of net assets and in the proprietary funds statement of revenues, expenses, and changes in fund net assets for the Solid Waste special service district, Twin Creeks special service district, North Village special service district, and Wasatch County Fire Protection special service district, all of which are considered to be major funds. Data from the other four proprietary funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major proprietary funds is provided in the form of combining statements elsewhere in this report.

Refer to the table of contents for the location of the basic proprietary fund financial statements.

### **Fiduciary funds**

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support Wasatch County's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

Refer to the table of contents for the location of the basic fiduciary fund financial statements.

### **Notes to the financial statements**

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes are part of the basic financial statements.

### **Other information**

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning Wasatch County.

The combining statements referred to earlier in connection with non-major governmental funds and proprietary funds are presented immediately following the required supplementary information.



### Government-wide financial analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of Wasatch County, assets exceeded liabilities by \$60,122 at the close of the most recent fiscal year.

By far the largest portion of Wasatch County's net assets (74 percent) reflects its investment in capital assets (e.g. land, buildings, machinery, equipment, and infrastructure), less any related debt used to acquire those assets that is still outstanding. Wasatch County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although Wasatch County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

	Governmental Activities		Business-type Activities		Total	
	2005	2004	2005	2004	2005	2004
Current and other assets	12,957	12,378	6,863	5,867	19,820	18,245
Capital assets	52,950	50,158	18,105	17,244	71,055	67,402
Total assets	65,907	62,536	24,968	23,111	90,875	85,647
Long-term liabilities outstanding	15,647	16,980	7,409	11,886	23,056	28,866
Other liabilities	2,487	2,312	5,210	1,952	7,697	4,264
Total liabilities	18,134	19,292	12,619	13,838	30,753	33,130
Net assets						
Invested in capital assets net of related debt	36,590	32,401	8,165	7,165	44,755	39,566
Restricted	4,294	5,007	1,066	1,348	5,360	6,355
Unrestricted	6,889	5,836	3,118	760	10,007	6,596
Total Net Assets	47,773	43,244	12,349	9,273	60,122	52,517

### Wasatch County's Net Assets

A portion of Wasatch County's net assets (9 percent) represents resources that are subject to external restrictions on how they may be used.

At the end of the year, Wasatch County is able to report positive balances in all three categories of net assets.

**Governmental activities**

Governmental activities increased Wasatch County's net assets by \$4,529. Key elements of this increase are as follows:

Wasatch County's Changes in Net Assets

**Business type activities**

Business-type activities had an increase of \$3,076 in net assets for the year.

**Financial Analysis of the Government's Funds**

As noted earlier, Wasatch County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental funds**

The focus of Wasatch County's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing Wasatch County's financing requirements. In particular unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the year.

At the end of the year, Wasatch County's governmental funds reported combined ending fund balances of \$11,065, an increase of \$222 in comparison with the prior year. Approximately 29 percent of this amount (\$3,212) constitutes unreserved fund balance, which is available for spending at the government's discretion. The remainder of fund balance is reserved to indicate that it is not available for new spending because it has already been committed.

The general fund is the chief operating fund of Wasatch County. At the end the current year, unreserved fund balance of the general fund was \$3,212. As a measure of the general fund's liquidity, it may be useful to compare unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 25 percent of total general fund expenditures.

**Proprietary funds**

Wasatch County's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net assets of the proprietary funds at the end of the year amounted to \$3,118.

**General Fund Budgetary Highlights**

Differences between the original budget and the final amended budget of \$3,466 can be briefly summarized as follows:

- \$1,244 increase in general government
- \$610 increase in public safety
- \$8 decrease in public health
- \$180 increase in streets and public improvements
- \$37 increase in conservation and economic development
- \$11 increase in intergovernmental expenditure
- \$1,392 increase in parks and recreation

This increase of \$3,466 was funded with an increase of grants, charges for services, fines and forfeitures, and other miscellaneous revenues.

## Capital Asset and Debt Administration

### Capital assets

Wasatch County's investment in capital assets for its governmental activities as of December 31, 2005, amounts to \$52,950 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements other than buildings, equipment, and infrastructure, which includes roads, highways, bridges, and construction in progress. The total increase in Wasatch County's investment in capital assets for the current year was \$4,673.

Also, the county has elected to use the modified approach to account for its infrastructure assets, such as roads and bridges. That information can be found in the required supplemental information following the notes to the financial statements.

### Wasatch County's Capital Assets (net of depreciation)

	Governmental Activities		Business-type Activities		Total	
	2005	2004	2005	2004	2005	2004
Land	8,071	8,071	4,380	3,812	12,451	11,883
Infrastructure	24,298	23,331	8,260		32,558	23,331
Buildings & improvements	14,522	14,615	3,815	4,306	18,337	18,921
Equipment	3,413	2,970	1,197	1,175	4,610	4,145
Construction in progress	2,646	1,039	453	7,063	3,099	8,102
Total	<u>52,950</u>	<u>50,026</u>	<u>18,105</u>	<u>16,356</u>	<u>71,055</u>	<u>66,382</u>

Additional Information on Wasatch County's capital assets can be found in the notes to the financial statements.

### Long-term debt

At the end of the current year, Wasatch County had total bonded debt outstanding of \$19,266. The debt represents both general obligation bonds and revenue bonds secured solely by specified revenue sources (i.e. revenue bonds).

### Wasatch County Outstanding Debt

	Governmental Activities		Business-type Activities		Total	
	2005	2004	2005	2004	2005	2004
Revenue bonds	4,570	4,794	4,203	4,482	8,773	9,276
General obligation bonds	10,493	11,183			10,493	11,183
Other notes payable	1,125	1,561	148	783	1,273	2,344
Capital leases	58	92	2,354	1,956	2,412	2,048
Total	<u>16,246</u>	<u>17,630</u>	<u>6,705</u>	<u>7,221</u>	<u>22,951</u>	<u>24,851</u>

State statutes limit the amount of general obligation debt a governmental entity may issue to 2 percent of its total fair market value of taxable property in the county. The current debt limitation for Wasatch County is \$37,142. Wasatch County has general obligation debt of \$10,493.

Additional information on Wasatch County's long-term debt can be found in the notes of the financial statements.

#### **Requests for Information**

This financial report is designed to provide a general overview of Wasatch County's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Wasatch County/Auditor, 25 North Main, Heber City, Utah 84032.

**INDEPENDENT  
AUDITORS'  
REPORT**



# HAWKINS CLOWARD & SIMISTER

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## INDEPENDENT AUDITORS' REPORT

Honorable County Council Members  
Wasatch County  
Heber City, Utah

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Wasatch County as of and for the year ended December 31, 2005, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express an opinion on these financial statements based on our audit. We did not audit the financial statements of Heber Valley Special Service District, which represents 12 percent and 4 percent, respectively, of the assets and revenues of the discrete component units – proprietary fund type. We also did not audit the Blue Bench Landfill, which represents 100 percent of the joint venture with Duchesne County. Those financial statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for Heber Valley Special Service District and the Blue Bench Landfill, is based on the reports of other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Wasatch County as of December 31, 2005, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 20, 2006, on our consideration of Wasatch County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on

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the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

The Management's Discussion and Analysis, condition assessment of the County's infrastructure and budgetary comparison information on pages MDA-1 through MDA-8, 45 and 46 through 49, respectively, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was performed for the purpose of forming an opinion on the financial statements that collectively comprise Wasatch County's basic financial statements. The combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

  
HAWKINS CLOWARD & SIMISTER, LC  
CERTIFIED PUBLIC ACCOUNTANTS

June 20, 2006



**BASIC  
FINANCIAL  
STATEMENTS**

WASATCH COUNTY  
Statement of Net Assets  
December 31, 2005

	Primary Government			
	Governmental Activities	Business-type Activities	Total	Component Units
<b>Assets</b>				
Cash and Cash Equivalents	5,410,655	2,665,526	8,076,181	3,494,678
Restricted Cash and Cash Equivalents	2,108,748	1,168,923	3,277,671	20,099,977
Prepaid Expenses	200,290		200,290	
Investment		721,350	721,350	
Receivable with Treasurer	2,985,063	114,402	3,099,465	
Accounts Receivable - Net	1,749,470	1,047,681	2,797,151	1,428,138
Special Assessment Receivable		1,248,071	1,248,071	42,816,943
Internal Balances	203,611	(203,611)		
Due From Other Governmental Entities	299,402		299,402	
Bond Issuance Costs		99,792	99,792	1,491,979
Other Assets				7,889
Capital Assets (Net of Accumulated Depreciation):				
Land, Easements, and Water Rights	8,070,856	4,379,710	12,450,566	30,384,977
Infrastructure - Nondepreciable	23,331,336	772,128	24,103,464	
Buildings & Improvements	14,521,849	3,815,317	18,337,166	46,017,338
Machinery & Equipment	3,413,215	1,197,382	4,610,597	4,510,650
Infrastructure - Depreciable	967,039	7,487,807	8,454,846	
Construction in Progress	2,645,922	453,045	3,098,967	13,649,312
Total Assets	65,907,456	24,967,523	90,874,979	163,901,881
<b>Liabilities</b>				
Accounts Payable	875,753	453,863	1,329,616	794,727
Accrued Payroll and Benefits	370	25,173	25,543	55,037
Accrued Interest Payable	119,466	383,830	503,296	591,314
Bonds and Deposits Held	390,270		390,270	
Inmate Deposits	4,958		4,958	
Due to Other Governmental Entities	109,886	323,808	433,694	
Deferred Revenue - Current				918,648
Deferred Assessment Revenue - Current		221,143	221,143	386,943
Interim Warrants - Current		3,280,329	3,280,329	
Certificates of Participation - Current				186,000
Revenue Bonds Payable - Current	249,158	334,144	583,302	5,016,100
G.O. Bonds Payable - Current	640,875		640,875	
Capital Leases Payable - Current	24,687	131,170	155,857	13,994
Notes Payable - Current	91,497	56,925	148,422	5,508
Other Liabilities - Current				130,463
Accrued Compensated Absences	387,519	67,043	454,562	87,088
Deferred Revenue - Noncurrent		7,600	7,600	
Deferred Assessment Revenue - Noncurrent		1,026,928	1,026,928	42,430,000
Certificates of Participation - Noncurrent				3,530,000
Revenue Bonds Payable - Noncurrent	4,320,829	3,868,856	8,189,685	44,937,100
G.O. Bonds Payable - Noncurrent	9,852,147		9,852,147	
Notes Payable - Noncurrent	1,027,743	91,631	1,119,374	17,245
Capital Leases Payable - Noncurrent	33,459	2,222,607	2,256,066	385,000
Other Liabilities - Noncurrent	5,556	124,000	129,556	5,000
Total Liabilities	18,134,173	12,619,050	30,753,223	99,490,167
<b>Net Assets</b>				
Invested in Capital Assets, Net of Related Debt	36,590,356	8,164,604	44,754,960	46,727,526
Restricted For:				
Municipal Services	596,764		596,764	
Capital Projects	577,720	588,169	1,165,889	4,449,744
Debt Service	1,973,397	397,763	2,371,160	4,766,050
Other Purposes	1,146,017	79,863	1,225,880	816,111
Unrestricted	6,889,029	3,118,074	10,007,103	7,652,283
Total Net Assets	47,773,283	12,348,473	60,121,756	64,411,714

**WASATCH COUNTY**  
**Statement of Activities**  
For the Year Ended December 31, 2005

Function/Programs	Program Revenues			Net (Expense) Rev & Changes in Net Assets			Component Units
	Operating		Capital Grants and Contributions	Primary Government		Total	
	Charges for Services	Grants and Contributions		Governmental Activities	Business-type Activities		
Governmental Activities:							
General Government	5,389,430	3,164,050	1,011,153	7,293	(1,206,934)	(1,206,934)	
Public Health	2,341,048	363,266	1,606,315		(371,467)	(371,467)	
Public Safety	5,179,990	2,617,022		275,055	(1,659,038)	(1,659,038)	
Streets and Public Improvements	1,789,808	242,856	600,165		(946,787)	(946,787)	
Parks, Recreation, and Public Property	1,360,327	312,577	58,478		(989,272)	(989,272)	
Conservation & Economic Development	556,477	83,961			(472,516)	(472,516)	
Intergovernmental	247,665	28,358			(219,307)	(219,307)	
Interest on Long-term Debt	795,256				(795,256)	(795,256)	
Total Governmental Activities	17,660,001	6,812,090	3,904,986	282,348	(6,660,577)	(6,660,577)	
Business-type Activities:							
Solid Waste Special Service District	1,715,857	1,872,859			157,002	157,002	
Twin Creeks Special Service District	669,260	649,998			(19,262)	(19,262)	
North Village Special Service District	430,731	359,066			(71,665)	(71,665)	
Wasatch County Fire Protection SSD	1,038,792	2,745,678			1,706,886	1,706,886	
Other Business-type Activities	402,743	516,876			114,133	114,133	
Total Business-type Activities	4,257,383	6,144,471			1,887,094	1,887,094	
Total Primary Government	21,917,384	12,956,567	3,904,986	282,348	(6,660,577)	(4,773,483)	
Component Units:							
Wasatch County SSD #9	181,500		609,096				427,596
Heber Valley SSD	744,117	549,964					(194,153)
Timberlakes Water SSD	711,199	759,372					48,173
Jordanella SSD	8,650,352	13,649,523		551,227			5,550,398
Total Component Units	10,287,168	14,958,859	609,096	551,227			5,832,014
General Revenues:							
Taxes:							
Property Taxes				7,002,100		7,002,100	
Fee in Lieu of Taxes				589,402		589,402	
Tourist & Recreation Tax				206,039		206,039	
Transient Room Taxes				266,374		266,374	
General Sales and Use Tax				1,284,512		1,284,512	
Unrestricted Investment Earnings				121,897	61,134	183,031	423,490
Gain on Sale of Fixed Assets				585,607		585,607	500
Miscellaneous				197,290	513,795	711,085	1,962,203
Contributions				936,270	613,663	1,549,933	
Total General Revenues and Transfers				11,189,491	1,188,592	12,378,083	2,386,193
Change in Net Assets				4,528,914	3,075,686	7,604,600	8,218,207
Net Assets - Beginning				43,244,369	9,272,787	52,517,156	56,193,507
Net Assets - Ending				47,773,283	12,348,473	60,121,756	64,411,714

The notes to the financial statements are an integral part of this statement.

**WASATCH COUNTY**  
**Balance Sheet**  
**Governmental Funds**  
For the Year Ended December 31, 2005

	General	Capital Projects Funds	Debt Service Funds	Nonmajor	Total
	Fund	Special Events Center	Parks & Recreation	Governmental Funds	Governmental Funds
			Government Buildings		
<b>Assets</b>					
Cash & Cash Equivalents	1,080,630	559,008	424,574	2,057,990	5,292,604
Restricted Cash & Cash Equivalents	31,964	1,248	1,486,317	137,564	2,108,748
Receivable with Treasurer	1,957,796		66,532	634,786	2,985,063
Accounts Receivable (Net)	1,406,852			342,618	1,749,470
Prepaid Expenses	200,290				200,290
Due from Other Funds				698,310	698,310
Due from Other Governmental Entities				299,402	299,402
<b>Total Assets</b>	<b>4,677,532</b>	<b>560,256</b>	<b>1,977,423</b>	<b>4,170,670</b>	<b>13,333,887</b>
<b>Liabilities and Fund Balances</b>					
<b>Liabilities:</b>					
Accounts Payable	720,247	108,963		46,543	875,753
Accrued Payroll				370	370
Accrued Compensated Abs.	287,952			99,567	387,519
Bonds & Deposits Held	390,270				390,270
Inmate Deposits	4,958				4,958
Other Liabilities				5,556	5,556
Due to Other Funds				494,699	494,699
Due to Other Governmental Entities	62,510			47,376	109,886
<b>Total Liabilities</b>	<b>1,465,937</b>	<b>108,963</b>		<b>694,111</b>	<b>2,269,011</b>
<b>Fund balances:</b>					
Reserved for:					
Municipal Services				596,764	596,764
Emergency 911 Service				137,728	137,728
Liquor Distribution				42,919	42,919
Impact Fees				965,370	965,370
Parks & Recreation			1,977,423		1,977,423
Special Events Center				126,427	126,427
Library & Senior Citizens		451,293			451,293
Government Buildings			1,948,006		1,948,006
Municipal Building Authority				25,391	25,391
Fire Protection				294,269	294,269
Unreserved - Designated, reported in:					
Health				596,024	596,024
Parks & Recreation				(230,970)	(230,970)
Library				306,187	306,187
Convention Bureau				94,141	94,141
Tourist & Recreation				78,154	78,154
Fire Protection				444,155	444,155
Unreserved - Undesignated	3,211,595				3,211,595
<b>Total Fund Balances</b>	<b>3,211,595</b>	<b>451,293</b>	<b>1,977,423</b>	<b>3,476,559</b>	<b>11,064,876</b>
<b>Total Liabilities and Fund Balances</b>	<b>4,677,532</b>	<b>560,256</b>	<b>1,977,423</b>	<b>4,170,670</b>	<b>13,333,887</b>

The notes to the financial statements  
are an integral part of this statement.

**WASATCH COUNTY**  
**Balance Sheet Reconciliation to**  
**Statement of Net Assets**

December 31, 2005

Total Fund Balances - Governmental Fund Types:	11,064,876
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Amounts reported for governmental activities in the statement of net assets are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	52,950,217
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Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	(16,359,861)
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Management uses internal service funds to charge the costs of certain activities to individual funds. The assets and liabilities of the internal service funds are reported with governmental activities in the Statement of Net Assets.	<u>118,051</u>
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Net Assets of Government Activities	<u><u>47,773,283</u></u>
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**WASATCH COUNTY**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Governmental Funds**  
For the Year Ended December 31, 2005

	General	Capital Projects Funds Special Events Center	Debt Service Funds Parks & Recreation	Government Buildings	Nonmajor Governmental Funds	Total Governmental Funds
<b>Revenues</b>						
Taxes	5,819,571		169,183	781,996	2,517,140	9,287,890
Licenses and Permits	2,304,302					2,304,302
Intergovernmental	2,245,141			140,109	1,699,464	4,084,714
Charges for Services	2,766,763				1,147,269	3,914,032
Fines and Forfeitures	569,098					569,098
Other Revenue	858,892	29,899	41,846	62,177	244,171	1,236,985
Total Revenues	14,563,767	29,899	211,029	984,282	5,608,044	21,397,021
<b>Expenditures</b>						
Current:						
General Government	5,204,006					5,204,006
Public Safety	4,051,040				951,182	5,002,222
Public Health	796,395				1,512,357	2,308,752
Streets & Public Improvements	1,096,329				502,460	1,598,789
Parks, Recreation & Public Property	8,400		800	8,020	1,206,627	1,223,847
Conservation & Economic Development	226,380				319,250	545,630
Intergovernmental Expenditures	204,601					204,601
Capital Outlay	937,627	2,645,922			103,155	3,686,704
Debt Service	396,664		380,828	1,245,491	179,986	2,202,969
Total Expenditures	12,921,442	2,645,922	381,628	1,253,511	4,775,017	21,977,520
Excess Revenues Over (Under)						
Expenditures	1,642,325	(2,616,023)	(170,599)	(269,229)	833,027	(580,499)
<b>Other financing sources (uses)</b>						
Contributions	351,814	400,000		158,660	25,796	936,270
Transfers To Other Funds	(1,423,119)				(455,457)	(1,878,576)
Transfers From Other Funds	177,553	1,129,917		122,978	303,753	1,734,201
Proceeds from Bonds	10,000					10,000
Total other financing sources and uses	(883,752)	1,529,917	0	281,638	(125,908)	801,895
Excess of revenues and other sources over (under) expenditures and other uses	758,573	(1,086,106)	(170,599)	12,409	707,119	221,396
Fund balances - beginning of year	2,453,022	1,537,399	2,148,022	1,935,597	2,769,440	10,843,480
Fund balances - end of year	3,211,595	451,293	1,977,423	1,948,006	3,476,559	11,064,876

The notes to the financial statements  
are an integral part of this statement.

**WASATCH COUNTY**  
**Reconciliation of the Statement of Revenues, Expenditures and Changes**  
**in Fund Balances of Governmental Funds to the Statement of Activities**  
**For the Year Ended December 31, 2005**

Net Changes in Fund Balances - Total Governmental Funds	221,396
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Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.	2,563,462
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The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. This amount is the net effect of the differences in the treatment of long-term debt and related items.	1,389,373
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Management uses internal service funds to charge the costs of certain activities to individual funds. The net revenue (expense) of the internal service funds is reported with governmental activities.	346,344
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Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	<u>8,340</u>
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Change in Net Assets of Governmental Activities	<u><u>4,528,915</u></u>
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**WASATCH COUNTY**  
**Statement of Net Assets**  
**Proprietary Funds**  
December 31, 2005

	Business-Type Activities - Enterprise Funds						Governmental Activities - Internal Service Funds
	Solid Waste District	Twin Creeks District	North Village District	Wasatch County Fire Protection District	Nonmajor Funds	Total	
<b>Assets</b>							
<b>Current Assets</b>							
Cash & Cash Equivalents		32,374	72,771	2,342,432	217,949	2,665,526	118,051
Receivables - Net	33,656	149,041	670	528,980	335,334	1,047,681	
Current Portion Special Assessment Receivable		221,143				221,143	
Receivable with Treasurer	114,402					114,402	
Total Current Assets	148,058	402,558	73,441	2,871,412	553,283	4,048,752	118,051
<b>Noncurrent Assets</b>							
Restricted Cash & Cash Equivalents		1,003,085	916	164,922		1,168,923	
Investment - Joint Venture Blue Bench Landfill	721,350					721,350	
Special Assessment Receivable		1,026,928				1,026,928	
Bond Issuance Costs		45,226	33,820	20,746		99,792	
Capital Assets (Net of Accumulated Depreciation):							
Land, Easements, & Water Rights	236,250	4,037,415	6,045	100,000		4,379,710	
Construction in Progress		53,671	399,374			453,045	
Buildings & Improvements	1,724	1,908,803		1,904,789	347,858	4,163,174	
Machinery & Equipment	912,842	60,181		214,517	9,843	1,197,383	228,293
Infrastructure		4,345,676	3,233,881		332,520	7,912,077	
Total Noncurrent Assets	1,872,166	12,480,985	3,674,036	2,404,974	690,221	21,122,382	228,293
Total Assets	2,020,224	12,883,543	3,747,477	5,276,386	1,243,504	25,171,134	346,344
<b>Liabilities</b>							
<b>Current Liabilities</b>							
Accounts Payable	127,836	105,066	1,579	6,262	736	241,479	
Accrued Interest Payable	1,788	81,539	292,118	7,186	1,199	383,830	
Construction Payable			212,384			212,384	
Accrued Payroll & Related Expenses		7,897		13,222	4,054	25,173	
Internal Balances	193,278				10,333	203,611	
Due to Other Governmental Entities		4,388	59,039		260,381	323,808	
Deferred Special Assessment Revenue - Current		221,143				221,143	
Capital Leases Payable - Current	48,494			82,676		131,170	
Interim Warrants - Current			3,280,329			3,280,329	
Bonds Payable - Current	75,000	259,144				334,144	
Notes Payable - Current	14,520	5,849		21,180	15,376	56,925	
Total Current Liabilities	460,916	685,026	3,845,449	130,526	292,079	5,413,996	0
<b>Noncurrent Liabilities</b>							
Accrued Compensated Absences	50,384	5,202		11,457		67,043	
Deferred Revenue			7,600			7,600	
Deferred Special Assessment Revenue		1,026,928				1,026,928	
Capital Leases Payable	437,607			1,785,000		2,222,607	
Bonds Payable	766,000	3,102,856				3,868,856	
Notes Payable	52,158	6,337			33,136	91,631	
Other Noncurrent Liabilities					124,000	124,000	
Total Noncurrent Liabilities	1,306,149	4,141,323	7,600	1,796,457	157,136	7,408,665	0
Total Liabilities	1,767,065	4,826,349	3,853,049	1,926,983	449,215	12,822,661	0
<b>Net Assets</b>							
Invested in capital assets, net of related debt	(242,963)	7,056,890	358,971	351,196	640,510	8,164,604	228,293
Restricted							
Outside Party		79,863				79,863	
Capital Projects		588,169				588,169	
Debt Service		232,841		164,922		397,763	
Unrestricted	496,122	99,431	(464,543)	2,833,285	153,779	3,118,074	118,051
Total net assets	253,159	8,057,194	(105,572)	3,349,403	794,289	12,348,473	346,344



**WASATCH COUNTY**  
**Statement of Revenues, Expenses, and Changes in Fund Net Assets**  
**Proprietary Funds**  
For the Year Ended December 31, 2005

	<b>Business-Type Activities - Enterprise Funds</b>					<b>Governmental Activities - Internal Service Funds</b>
	<b>Solid Waste District</b>	<b>Twin Creeks District</b>	<b>North Village District</b>	<b>Wasatch County Fire Protection District</b>	<b>Nonmajor Funds</b>	<b>Total</b>
<b>Operating Revenues</b>						
Sanitation Fees	1,872,859					1,872,859
Charges for Services		310,377	9,054	1,969,243	501,084	2,789,758
Rent & Maintenance						599,294
Revenue Recoveries				776,435		776,435
Water Reserve		16,621				16,621
Reservation Fees			350,012			350,012
Bond Assessments		306,989				306,989
Miscellaneous Revenue		16,011			15,792	31,803
<b>Total Operating Revenues</b>	<b>1,872,859</b>	<b>649,998</b>	<b>359,066</b>	<b>2,745,678</b>	<b>516,876</b>	<b>6,144,477</b>
<b>Operating Expenses</b>						
Salaries & Wages	579,563	117,324		429,632		1,126,519
Employee Benefits	239,880	40,166		258,009		538,055
Materials, Supplies & Services	616,023	236,524	372,862	147,448	385,689	1,758,546
Depreciation & Amortization Expense	197,318	160,208	57,869	112,342	14,244	541,981
<b>Total Operating Expenses</b>	<b>1,632,784</b>	<b>554,222</b>	<b>430,731</b>	<b>947,431</b>	<b>399,933</b>	<b>3,965,101</b>
<b>Operating Income (Loss)</b>	<b>240,075</b>	<b>95,776</b>	<b>(71,665)</b>	<b>1,798,247</b>	<b>116,943</b>	<b>63,466</b>
<b>Nonoperating Revenues (Expenses)</b>						
Interest Revenue		28,789	27	27,398	4,920	61,134
Grants				63,856		63,856
Impact Fees		449,939				449,939
Interest Expense	(52,912)	(115,038)		(91,361)	(2,810)	(262,121)
Loss from Joint Venture in Blue Bench Landfill	(30,161)					(30,161)
<b>Total Nonoperating Revenues (Expenses)</b>	<b>(83,073)</b>	<b>363,690</b>	<b>27</b>	<b>(107)</b>	<b>2,110</b>	<b>0</b>
<b>Income (Loss)</b>	<b>157,002</b>	<b>459,466</b>	<b>(71,638)</b>	<b>1,798,140</b>	<b>119,053</b>	<b>63,466</b>
<b>Operating Transfers In</b>						<b>282,878</b>
Net Income (Loss) Before Capital Contributions						
<b>Contributions</b>	<b>157,002</b>	<b>459,466</b>	<b>(71,638)</b>	<b>1,798,140</b>	<b>119,053</b>	<b>346,344</b>
<b>Capital Contributions</b>						
Forgiveness of Debt Income		38,500				38,500
Water Shares		567,639				567,639
Impact Fees			889			889
Equipment & Supplies		6,635				6,635
<b>Total Capital Contributions</b>	<b>0</b>	<b>612,774</b>	<b>889</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Change in Net Assets</b>	<b>157,002</b>	<b>1,072,240</b>	<b>(70,749)</b>	<b>1,798,140</b>	<b>119,053</b>	<b>346,344</b>
Total Net Assets - Beginning	96,157	6,984,954	(34,823)	1,551,263	675,236	9,272,787
<b>Total Net Assets - Ending</b>	<b>253,159</b>	<b>8,057,194</b>	<b>(105,572)</b>	<b>3,349,403</b>	<b>794,289</b>	<b>12,348,473</b>

The notes to the financial statements  
are an integral part of this statement.

**WASATCH COUNTY**  
**Statement of Cash Flows**  
**Proprietary Funds**  
For the Year Ended December 31, 2005

	<b>Business-Type Activities - Enterprise Funds</b>						<b>Governmental Activities - Internal Service Funds</b>
	<b>Solid Waste</b>	<b>Twin Creeks</b>	<b>North Village</b>	<b>Fire District</b>	<b>Nonmajor</b>	<b>Total BTAs</b>	
<b>Cash Flows From Operating Activities</b>							
Receipts from customers	1,712,029	309,964	359,043	3,013,641	463,682	5,858,359	
Bond assessment receipts		306,989				306,989	
Water reserve receipt		16,621				16,621	
Receipts from interfund services provided							599,294
Payments to suppliers	(616,022)	(296,227)	(342,154)	(144,307)	(342,581)	(1,741,291)	(223,884)
Payments to employees	(819,443)	(158,865)		(682,219)	(76,172)	(1,736,699)	(291,620)
Net cash provided by operating activities	276,564	178,482	16,889	2,187,115	44,929	2,703,979	83,790
<b>Cash Flows From Noncapital Financing Activities</b>							
Grants received				63,856		63,856	
Transfers from other funds				175,511		175,511	148,781
Net cash provided by noncapital financing activities				239,367		239,367	148,781
<b>Cash Flows From Capital and Related Financing Activities</b>							
Capital contributions - impact fees		449,939	889			450,828	
Capital contributions - forgiveness of debt		38,500				38,500	
Purchases of capital assets	(214,339)	(59,594)		(47,368)		(321,301)	(114,520)
Construction of capital assets			(316,375)			(316,375)	
Proceeds from capital debt	10,000	16,500	352,850			379,350	
Bond issuance costs			(4,367)			(4,367)	
Principal paid on capital lease obligations				(88,586)		(88,586)	
Principal paid on capital debt	(125,301)	(822,471)		(31,774)	(17,669)	(997,215)	
Interest paid on capital debt	(52,912)	(123,044)		(91,548)	(2,811)	(270,315)	
Net cash provided (used) by capital and related financing activities	(382,552)	(500,170)	32,997	(259,276)	(20,480)	(1,129,481)	(114,520)
<b>Cash Flows From Investing Activities</b>							
Interest income		28,789	27	27,398	4,920	61,134	
Investment in Blue Bench Landfill	(30,161)					(30,161)	
Net cash provided (used) by investing activities	(30,161)	28,789	27	27,398	4,920	30,973	0
Net increase (decrease) in cash and cash equivalents	(136,149)	(292,899)	49,913	2,194,604	29,369	1,844,838	118,051
Cash and cash equivalents, January 1	136,149	1,328,358	23,774	312,750	185,270	1,986,301	
Cash and cash equivalents, December 31	0	1,035,459	73,687	2,507,354	214,639	3,831,139	118,051
<b>Reconciliation of operating income to net cash provided (used) by operating activities:</b>							
Operating income (loss)	504,921	95,776	(71,665)	1,798,247	116,943	2,444,222	63,466
Adjustments to reconcile operating income to net cash provided (used) by operating activities:							
Depreciation & amortization expense	197,318	160,208	57,869	112,342	14,244	541,981	20,324
(Increase) decr. in receivables	(43,126)	(16,424)	(23)	267,963	(17,995)	190,395	
Increase in prepaid expenses		6,416				6,416	
Increase (decr.) in accounts payable	(317,849)				(21,317)	(339,166)	
Increase (decr.) in accrued liabilities	(23,294)	(67,494)	30,708	8,563	(11,952)	(63,469)	
Increase (decr.) in internal balances	223,440				(34,994)	188,446	
Total adjustments	36,489	82,706	88,554	388,868	(72,014)	524,603	20,324
Net cash provided (used) by operating activities	541,410	178,482	16,889	2,187,115	44,929	2,968,825	83,790
<b>Noncash capital and related financing activities:</b>							
Capital contribution of water shares		567,639					
Capital contribution of infrastructure		6,635					
Capitalized accrued interest			138,189				

WASATCH COUNTY  
**Statement of Fiduciary Net Assets**  
Agency Fund  
For The Year Ended December 31, 2005

**Assets**

Restricted cash and cash equivalents	11,180,026
Accounts receivable	<u>660,133</u>
Total Assets	<u><u>11,840,159</u></u>

**Liabilities**

Due to taxing units	11,132,470
Collections payable	<u>707,689</u>
Total Liabilities	<u><u>11,840,159</u></u>

The notes to the financial statements  
are an integral part of this statement.

**NOTES TO  
FINANCIAL  
STATEMENTS**

## WASATCH COUNTY

### Notes to Financial Statements

December 31, 2005

#### **NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accompanying financial statements of Wasatch County have been prepared in conformity with accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board.

The accompanying basic financial statements present the financial position of the various fund types and the results of their operations. The basic financial statements are presented for the year ended December 31, 2005.

#### **Reporting Entity**

For financial reporting purposes, Wasatch County has included all funds. The County has also considered all potential component units for which it is financially accountable, and other organizations for which the nature and significance of their relationship with the County are such that exclusion would cause the County's financial statements to be misleading or incomplete. The Governmental Accounting Standards Board has set forth criteria to be considered in determining financial accountability. These criteria include appointing a voting majority of an organization's governing body and (1) the ability of the County to impose its will on that organization or (2) the potential for the organization to provide specific financial benefits to, or impose specific financial burdens on the County.

As required by generally accepted accounting principles, these basic financial statements present Wasatch County (the primary government) and its component units. The component units are included in the County's reporting entity because of the significance of their operational or financial relationships with the County. Complete financial statements of the discrete component units, which issued separate financial statements as noted below, can be obtained from their respective administrative offices.

#### *Blended Component Units*

These component units are entities which were created by the County and are legally separate from the County, but are so intertwined with the County that they are, in substance, the same as the County. Their financial results are blended with the County's in the appropriate fund type category. Because of the County's operational influence, the following special service districts have been blended into the County's financial statements: Heber Estates, Wasatch View Acres, Twin Creeks, Strawberry Lakeview, North Village, Wasatch County Special Service Area #1, and Wasatch County Fire Protection Special Service District.

**WASATCH COUNTY**  
**Notes to Financial Statements**

December 31, 2005

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

*Discrete Component Units*

Heber Valley Special Service District (Enterprise Fund) - The Sewer District provides sewage collection and treatment services for Heber City and Midway. The Sewer District's Administrative Control Board is composed of seven representatives from the County, Heber City, and Midway. Although the Sewer District is legally independent and the County has delegated financial management duties to the Administrative Board, the County retains oversight responsibilities. The Sewer District was audited separately by independent auditors for the period ended December 31, 2005 and their report, dated April 13, 2006, has been previously issued under separate cover.

Timberlakes Water Special Service District (Enterprise Fund) - The Water District provides culinary water to the Timberlakes subdivision. The Water District's Administrative Board is composed of seven representatives from the County. Although the Water District is legally independent and the County has delegated financial management duties to the Administrative Board, the County retains oversight responsibilities. The Water District's financial statements were audited by independent accountants for the period ended December 31, 2005 and their report dated January 24, 2006, has been issued under separate cover.

Jordanelle Special Service District (Enterprise Fund) – The District provides water and sewer services to residents within the District's boundaries. The District's Administrative Board consists of five appointed members that have financial management oversight and are responsible for policy decisions. Although the County Council has delegated responsibilities to the Administrative Board, they still retain oversight responsibilities. The District's financial statements were audited by independent auditors for the year ended December 31, 2005. Their report dated February 28, 2006, has been issued under a separate cover.

Wasatch County Special Service District #9 (Governmental Fund) – The District provides equipment and road maintenance and repair work in addition to new construction on the County's road system. The District's Administrative Board is composed of three representatives who are independent of the County's Council.

Financial statement amounts for these discrete component units are included in the County's financial statements. Complete separate financial statements for each entity may be obtained from their respective administrative offices or from the County Clerk/Auditor's office, 25 North Main, Heber City, Utah 84032.

# WASATCH COUNTY

## Notes to Financial Statements

December 31, 2005

### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### *Local Entities Excluded*

Due to the limited oversight and fiscal responsibility by the County, the Heber Valley Fire Department and the Wasatch County Search and Rescue have been excluded from the reporting entity.

#### **Government-Wide and Fund Financial Statements**

The government-wide financial statements (i.e. statement of net assets and statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported in separate columns in the fund financial statements.

#### **Measurement Focus, Basis of Accounting and Financial Statement Presentation**

The government-wide financial statements are reported using the economic resources measurement focus and accrual basis of accounting as are the proprietary fund and the fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the

**WASATCH COUNTY**  
**Notes to Financial Statements**

December 31, 2005

**NOTE 1 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

current period or soon enough thereafter to pay liabilities of the current period. For this purpose, Wasatch County considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

The County reports the following major governmental funds:

The General Fund is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The Special Events Center Fund is a capital projects fund which accounts for the construction of a new special events center building to benefit the residents of the County.

The Parks and Recreation Fund is a debt service fund which accounts for the servicing of general long-term debt associated with the construction of parks and recreational facilities within the County which have not been financed by proprietary or nonexpendable trust funds.

The Government Buildings Fund is a debt service fund which accounts for the servicing of general long-term debt associated with buildings which have been constructed within the County and have not been financed by proprietary or nonexpendable trust funds.

The County also reports the following other governmental funds:

Health, Parks & Recreation Operations, Municipal Services, Library, Convention Bureau, Tourist & Recreation, Liquor Distribution, Emergency 911 Service, Correctional Facilities, Library & Senior Citizens, Wasatch County Fire Protection Special Service District, and Municipal Building Authority.

The Government reports the following major proprietary funds:

The Solid Waste Special Service District provides the disposal of solid waste for the residents of the County. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the district are charges to customers for services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.



# WASATCH COUNTY

## Notes to Financial Statements

December 31, 2005

### NOTE 1 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The Twin Creeks Special Service District provides the water and sewer services to the residents of the district. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the district are charges to customers for services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

The North Village Special Service District provides the water and sewer services to the residents of the district. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the district are charges to customers for services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

The Wasatch County Fire Protection Special Service District provides fire protection services to residents within the district's boundaries. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the district are charges to customers for services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

The Government also reports the following other proprietary funds:

Heber Estates Special Service District, Wasatch View Acres Special Service District, Strawberry Lakeview Special Service District, and Wasatch County Special Service Area #1.

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WASATCH COUNTY  
Notes to Financial Statements

December 31, 2005

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Property, plant and equipment of the primary government, as well as the component units, is depreciated using the straight line method over the following estimated useful lives:

Buildings	40 years
Improvements Other Than Buildings	20-40 years
Equipment	5-20 years

*Compensated Absences*

It is the County's policy to permit employees to accumulate earned but unused vacation and compensated time benefits. All vacation pay is accrued when incurred in the government-wide financial statements.

*Long-Term Obligations*

In the government-wide financial statements long-term debt and other long-term obligations are reported as liabilities in the statement of net assets.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, if any, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuance are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

*Fund Equity*

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose.

**Budgets and Budgetary Accounting**

The governing body of the County establishes the time and place of the public hearing to consider the adoption of the budget and publishes notice of the hearing at least seven days prior to the hearing in an least one issue of the newspaper of general circulation published within the County in which the entity is located. The tentative budget is made available to the public for inspection for a number of days, as provided by law, prior to the budget hearing.

1. On or before the first regularly scheduled meeting of the County Council in the month of November, the County Auditor prepares a tentative budget for the next budget year.

**WASATCH COUNTY**  
**Notes to Financial Statements**

December 31, 2005

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

2. After a public notice has been published, a public hearing is then held for the adoption of the budget.
3. After the public hearing, the County Council makes final adjustments to the tentative budget.
4. On or before December 31, the County Council adopts the budget by resolution.
5. The budget officer may transfer unexpended budgeted amounts within departments.
6. The County Council may transfer unexpended budgeted amounts from one department in a fund to another department in the same fund by resolution.
7. The total budget appropriation of any governmental fund may be increased only after a public hearing has been held and followed by resolution of the County Council.
8. Budgets for the General Fund are adopted on a basis consistent with generally accepted accounting principles (GAAP).

The appropriated budget is prepared by fund, function and department. The government's department heads may make transfers of appropriations within a department. Transfers of appropriations between departments require the approval of the governing council. The legal level of budgetary control is the department level.

The Fiscal Procedures Act for Utah Counties require Counties to restrict expenditures to authorized departmental budgets. The combined statement of revenues, expenditures and changes in fund balance – budget and actual identifies the departments and funds which have overexpended budgeted amounts if any and, therefore, do not comply with appropriate fiscal procedures.

**Property Tax Calendar**

- |           |  |
|-----------|--|
| January 1 | Lien Date – All property appraised based upon situs and status as of this date (real and personal).  |
| March 1   | Calendar year taxing entities must inform the County of the date, time and place of the budget hearing for the next fiscal year for inclusion with tax notice. |
| June 22   | All taxing entities to adopt tentative budgets and proposed tax rates and report them to the county auditor.   |

**WASATCH COUNTY**  
**Notes to Financial Statements**

December 31, 2005

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

- July 22 County auditor to prepare and mail Notice of Valuation and Tax Changes to all real property owners, including centrally assessed property owners or in the event that Notices of Valuation and Tax Changes are not required, the county auditor is to compute taxes and the county treasurer is to mail tax notices.
- September 1 State Tax Commission approves tax rates.
- November 1 County auditor is to deliver the equalized assessment roll to the county treasurer with affidavit.
- November 1 County auditor to charge the county treasurer to account for all taxes levied.
- November 1 County treasurer to mail tax notices. Tax notices for calendar year entities include notice of budget hearings.
- November 30 Taxes on real property become delinquent.

**Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**NOTE 2 - DEPOSITS AND INVESTMENTS**

Deposits and investments for local government are governed by the Utah Money Management Act (*Utah Code Annotated*, Title 51, Chapter 7, "the Act") and by rules of the Utah Money Management Council (the Council). Following are discussions of the County's exposure to various risks related to its cash management activities.

**Custodial Credit Risk - Deposits**

Custodial credit risk for deposits is the risk that in the event of a bank failure, the County's deposits may not be recovered. The County's policy for managing custodial credit risk is to adhere to the Money Management Act. The Act requires all deposits of the County to be in a *qualified depository*, defined as any financial institution whose deposits are insured by an agency of the federal government and which has been certified by the Commissioner of Financial Institutions as meeting the requirements of the Act and adhering to the rules of the Utah Money Management Council. As of December 31, 2005, \$10,076,521 of the County's bank balance of \$10,431,858 was uninsured and uncollateralized. The County's component units had a bank balance of \$2,373,918 of which \$1,828,709 was uninsured and uncollateralized.

**WASATCH COUNTY**  
**Notes to Financial Statements**

December 31, 2005

**NOTE 2 - DEPOSITS AND INVESTMENTS (CONTINUED)**

**Credit Risk**

Credit risk is the risk that the counterparty to an investment will not fulfill its obligations. The County's policy for limiting the credit risk of investments is to comply with the Money Management Act.

The County is authorized to invest in the Utah Public Treasurer's Investment Fund (PTIF), an external pooled investment fund managed by the Utah State Treasurer and subject to the Act and Council requirements. The PTIF is not registered with the SEC as an investment company, and deposits in the PTIF are not insured or otherwise guaranteed by the State of Utah. The PTIF operates and reports to participants on an amortized cost basis. The income, gains, and losses, net of administration fees, of the PTIF are allocated based upon the participants' average daily balances.

For the year ended December 31, 2005, the County's Primary Government had investments of \$7,667,777 with the PTIF and the County's component units had investments of \$24,113,075 with the PTIF. The entire balance had a maturity of less than one year. The PTIF pool has not been rated.

**Interest Rate Risk**

Interest rate risk is the risk that changes in interest rates of debt investments will adversely affect the fair value of an investment. The District manages its exposure to declines in fair value by investment mainly in the PTIF and by adhering to the Money Management Act. The Act requires that the remaining term to maturity of investments may not exceed the period of availability of the funds to be invested.

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**WASATCH COUNTY**  
**Notes to Financial Statements**

December 31, 2005

**NOTE 3 – CAPITAL ASSETS**

Capital asset activity for the year ended December 31, 2005 was as follows:

<b>Primary Government</b>	<b>Beginning Balance</b>	<b>Increases</b>	<b>Decreases</b>	<b>Ending Balance</b>
<i>Governmental activities</i>				
Capital assets not being depreciated:				
Land, Easements, & Water Rights	8,070,856			8,070,856
Infrastructure	23,331,336			23,331,336
Construction in Progress	131,636	2,645,922	131,636	2,645,922
Total capital assets not being depreciated	31,533,828	2,645,922	131,636	34,048,114
Capital assets being depreciated:				
Buildings & Improvements	17,662,444	412,546		18,074,990
Machinery and equipment	7,852,554	1,012,895		8,865,449
Infrastructure	2,427,461			2,427,461
Total capital assets being depreciated	27,942,459	1,425,441	0	29,367,900
Less accumulated depreciation for:				
Buildings & Improvements	3,047,025	506,116		3,553,141
Machinery and equipment	4,882,165	647,707	77,638	5,452,234
Infrastructure	1,388,635	71,787		1,460,422
Total accumulated depreciation	9,317,825	1,225,610	77,638	10,465,797
Total capital assets, being depreciated, net	18,624,634	199,831	(77,638)	18,902,103
Governmental activities capital assets, net	50,158,462	2,845,753	53,998	52,950,217
<i>Business-type activities</i>				
Capital assets not being depreciated:				
Land, Easements, & Water Rights	3,812,071	567,639		4,379,710
Infrastructure	470,677	301,451		772,128
Construction in Progress	881,366	338,901	767,222	453,045
Total capital assets not being depreciated	5,164,114	1,207,991	767,222	5,604,883
Capital assets being depreciated:				
Buildings & Improvements	5,573,077			5,573,077
Machinery and equipment	2,945,904	261,707		3,207,611
Infrastructure	7,569,868	693,478		8,263,346
Total capital assets being depreciated	16,088,849	955,185	0	17,044,034
Less accumulated depreciation for:				
Buildings & Improvements	1,623,265	134,495		1,757,760
Machinery and equipment	1,771,205	239,024		2,010,229
Infrastructure	614,037	161,502		775,539
Total accumulated depreciation	4,008,507	535,021	0	4,543,528
Total capital assets, being depreciated, net	12,080,342	420,164	0	12,500,506
Business-type activities capital assets, net	17,244,456	1,628,155	767,222	18,105,389

**WASATCH COUNTY**  
**Notes to Financial Statements**

December 31, 2005

**NOTE 3 - CAPITAL ASSETS (CONTINUED)**

Depreciation expense was charged to functions/programs of the primary government as follows:

**Governmental activities**

General government	482,874
Public Safety	257,160
Public Health	32,415
Streets and Public Improvements	189,791
Parks, Recreation, and Public Property	129,168
Conservation and Economic Development	10,011
Intergovernmental	42,146
Total depreciation expense - governmental activities	<u>1,143,565</u>

**Business-type activities**

Solid Waste District	197,318
North Village Special Service District	57,869
Twin Creeks Special Service District	160,208
Wasatch County Fire Protection District	112,342
Strawberry Lakeview District	8,180
Wasatch Special Service Area #1	6,064
Total depreciation expense - Business-Type activities	<u>541,981</u>
Total depreciation expense for all activities	<u>1,685,546</u>

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**WASATCH COUNTY**  
**Notes to Financial Statements**  
December 31, 2005

**NOTE 3 - CAPITAL ASSETS (CONTINUED)**

**Component Units**

**Statement of Changes in Capital Assets (Component Units)**

as of December 31, 2004:

*Governmental activities*

Capital assets being depreciated:

Machinery and equipment

Total capital assets being depreciated

Less accumulated depreciation

Total capital assets, being depreciated, net

Governmental activities capital assets, net

*Business-type activities*

Capital assets not being depreciated:

Land, Easements, & Water Rights

Construction in Progress

Total capital assets not being depreciated

Capital assets being depreciated:

Buildings and Improvements

Machinery and equipment

Total capital assets being depreciated

Less accumulated depreciation

Total capital assets, being depreciated, net

Business-type activities capital assets, net

Total-Government Wide

	Beginning Balance	Increases	Decreases	Ending Balance
	969,011	189,593		1,158,604
	969,011	189,593	-	1,158,604
	317,117	119,164		436,281
	651,894	70,429	-	722,323
	651,894	70,429	-	722,323
	30,392,654		7,678	30,384,976
	1,751,367	12,125,178	228,731	13,647,814
	32,144,021	12,125,178	236,409	44,032,790
	55,369,315	802,501	32,131	56,139,685
	7,013,516	77,035	4,057	7,086,494
	62,382,831	879,536	36,188	63,226,179
	11,603,485	1,824,521	8,991	13,419,015
	50,779,346	(944,985)	27,197	49,807,164
	82,923,367	11,180,193	263,606	93,839,954
	83,575,261	11,250,622	263,606	94,562,277

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# WASATCH COUNTY

## Notes to Financial Statements

December 31, 2005

### NOTE 4 – LONG-TERM DEBT

The following is a schedule of bond and note maturities by year:

#### Governmental Activities

##### *Primary Government*

Year Ended <u>December 31</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Obligation</u>
2006	981,530	708,536	1,690,066
2007	1,132,996	668,769	1,801,765
2008	1,128,356	623,867	1,752,223
2009	1,175,884	579,429	1,755,313
2010	1,214,581	533,185	1,747,766
2011 - 2015	6,052,155	1,849,883	7,902,038
2016 - 2020	3,248,930	736,921	3,985,851
2021 - 2025	1,247,817	92,441	1,340,258
Total debt	16,182,249	5,793,031	21,975,280
Less current portion	(981,530)	(708,536)	(1,690,066)
Total long-term debt	<u>15,200,719</u>	<u>5,084,495</u>	<u>20,285,214</u>

#### Business-Type Activities

##### *Primary Government*

Year Ended <u>December 31</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Obligation</u>
2006	391,070	141,990	533,060
2007	379,723	125,238	504,961
2008	389,101	106,783	495,884
2009	407,664	88,038	495,702
2010	138,999	68,693	207,692
2011 - 2015	797,000	290,700	1,087,700
2016 - 2020	659,000	195,930	854,930
2021 - 2025	811,000	115,380	926,380
2026 - 2030	358,000	9,990	367,990
2031 - 2035	20,000	-	20,000
Total debt	4,351,557	1,142,742	5,494,299
Less current portion	(391,070)	(141,990)	(533,060)
Total long-term debt	<u>3,960,487</u>	<u>1,000,752</u>	<u>4,961,239</u>

**WASATCH COUNTY**  
**Notes to Financial Statements**

December 31, 2005

**NOTE 4 – LONG-TERM DEBT (CONTINUED)**

*Discrete Component Units*

Year Ended December 31	Principal	Interest	Total Obligation
2006	5,207,608	2,921,292	8,128,900
2007	5,360,600	2,168,544	7,529,144
2008	5,587,920	1,905,979	7,493,899
2009	5,868,925	1,633,226	7,502,151
2010	5,677,200	1,347,216	7,024,416
2011 - 2015	10,834,100	3,857,516	14,691,616
2016 - 2020	7,393,600	2,327,049	9,720,649
2021 - 2025	7,762,000	854,577	8,616,577
Total debt	53,691,953	17,015,399	70,707,352
Less current portion	(5,207,608)	(2,921,292)	(8,128,900)
Total long-term debt	<u>48,484,345</u>	<u>14,094,107</u>	<u>62,578,452</u>

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**WASATCH COUNTY**  
**Notes to Financial Statements**

December 31, 2005

**NOTE 4 – LONG-TERM DEBT (CONTINUED)**

The changes in long-term debt for the year ended December 31, 2005 are as follows:

	Balance Jan. 1, 2005	Additions	Reductions	Balance Dec. 31, 2005
<b>Governmental Activities</b>				
<i>Primary Government</i>				
General Obligation Bonds	11,183,000	-	689,978	10,493,022
Revenue Bonds	4,793,836	10,000	233,849	4,569,987
Other Notes Payable	1,561,096	-	441,856	1,119,240
Total Bonds & Notes	17,537,932	10,000	1,365,683	16,182,249
Capital Leases	91,837	-	33,690	58,147
Total Long-Term Debt	17,629,769	10,000	1,399,373	16,240,396
<b>Business Type Activities</b>				
<i>Primary Government</i>				
Revenue Bonds	4,482,500	26,500	306,000	4,203,000
Deferred Assessment Revenue	1,534,000	-	285,929	1,248,071
Other Notes Payable	250,353	-	101,797	148,556
Total Bonds & Notes	6,266,853	26,500	693,726	5,599,627
Capital Leases	2,488,786	-	135,009	2,353,777
Total Long-Term Debt	8,755,639	26,500	828,735	7,953,404
<i>Discrete Component Units</i>				
General Obligation Bonds	-	-	-	-
Revenue Bonds	36,317,900	35,540,000	21,904,700	49,953,200
Deferred Assessment Revenue	30,213,927	35,215,000	22,611,984	42,816,943
Other Notes Payable	4,558,077	-	819,324	3,738,753
Total Bonds & Notes	71,089,904	70,755,000	45,336,008	96,508,896
Capital Leases	41,383	-	27,389	13,994
Total Long-Term Debt	71,131,287	70,755,000	45,363,397	96,522,890

**WASATCH COUNTY**  
**Notes to Financial Statements**

December 31, 2005

**NOTE 4 – LONG-TERM DEBT (CONTINUED)**

**Compensated Absences**

The County's compensation policy permits employees to accumulate unused vacation. Portions of amounts accumulated at any point in time can be expected to be redeemed before termination of employment. Sick leave is forfeited at termination of employment and, therefore, is excluded from accrued compensated absences. The changes in compensated absences for the year ended December 31, 2005 are as follows:

	Balance Jan. 1, 2005	Additions	Reductions	Balance Dec. 31, 2005
Governmental Activities	358,197	29,322	-	387,519
Business Type Activities	59,079	7,964	-	67,043
Total	<u>417,276</u>	<u>75,293</u>	<u>-</u>	<u>454,562</u>

Descriptions of the long-term debt follow:

**Wasatch County Landfill Revenue Bonds, Series 1996**

On February 28, 1996, the Wasatch County Solid Waste Disposal Special Service District issued \$1,335,338 of revenue bonds. The bonds are payable in 20 annual installments beginning January 1, 1998 through 2017, with interest calculated from January 1, 1997 at 3%.

**Timberlakes Water Special Service District Water Revenue Refunding Bonds**

During 1998, Timberlakes Water Special Service District issued Water Revenue Refunding and New Money Bonds. The bond issue was for \$2,400,000. The annual principal payments ranging from \$76,800 to \$177,100 began January 15, 2001 and continue through the year 2019. The bonds accrue interest at rates between 5.05% and 5.45% per annum. The interest is payable semiannually on July 15 and January 15.

**Timberlakes Water Special Service District Truck Note Payable**

During 2004, the District purchased a 2005 Ford F-350 Super Duty truck. The District financed \$29,126 at 6.75% over 60 months. Monthly payments of \$575 are made beginning October 2004 through 2009.

# WASATCH COUNTY

## Notes to Financial Statements

December 31, 2005

### NOTE 4 – LONG-TERM DEBT (CONTINUED)

#### Timberlakes Water Special Service District Water Revenue Bond

During 2004, the District issued a Water Revenue Bond for an amount not to exceed \$1,000,000. The annual principal payments ranging from \$42,000 to \$59,000 are due beginning October 1, 2004 through the year 2025. The bonds accrue interest at 1.76% per annum. The interest is payable annually on October 1. The District has drawn down \$778,000 on the bonds at December 31, 2005.

#### Special Service District #9 Equipment Note Payable

The District borrowed \$314,182 from Zions Bank at a rate of 3.98% in September 2004 to fund the purchase of equipment. Payments are due semiannually for the next 10 years beginning on March 1, 2005. In February 2005, the District repaid the full amount, plus interest accrued to that date.

#### Twin Creeks Special Service District Water Revenue Bonds, Series 1996

During 1996, Twin Creeks Special Service District issued Water Revenue Bonds. The bonds in the amount of \$1,877,000 are due in annual principal installments ranging from \$1,000 to \$333,000 beginning in 1998 and going through March 1, 2026. The bonds accrue interest at 3% per annum, payable annually on March 1 of each year.

#### Twin Creeks Special Service District Sewer Revenue Bonds, Series 1999

During 1999, Twin Creeks Special Service District issued Sewer Revenue Bonds. The bonds in the amount of \$147,184 are due in annual principal installments ranging from \$11,184 to \$19,000 beginning in 2000 and going through August 1, 2009. The bonds accrue interest at rates ranging from 5.25% to 5.95%. Interest is payable annually on August 1st of each year.

#### Twin Creeks Special Service District Sewer Assessment Bonds, Series 1999

During 1999, Twin Creeks Special Service District issued Sewer Revenue Bonds. The bonds in the amount of \$1,835,371 are due in annual principal installments ranging from \$139,547 to \$234,469 beginning in 2000 and going through May 1, 2009. The bonds accrue interest at rates ranging from 5.55% to 6.00%. Interest is payable annually on May 1st of each year.

#### Twin Creeks Special Service District Water Revenue Bonds Series 2004A

During 2004, the District issued Water Revenue Bonds. The bonds in the amount of \$500,000 are due in annual principal installments of \$5,000 beginning March 1, 2005 and going through March 1, 2034. The bonds carry a 0% interest rate and 70% of the principal amount owed is forgiven by the issuee as and at the time bond funds are drawn.

# **WASATCH COUNTY**

## **Notes to Financial Statements**

December 31, 2005

### **NOTE 4 – LONG-TERM DEBT (CONTINUED)**

#### **Twin Creeks Special Improvement District Sewer Assessment Bonds Series 2004-1**

During 2004, the District issued Special Improvement District (SID) Sewer Assessment Bonds. The bonds in the amount of \$487,000 are due in annual principal installments ranging from \$24,000 to \$25,000 through December 1, 2024. The bonds carry a 0% interest rate.

#### **Twin Creeks Special Service District Notes Payable**

During 2004, the District borrowed \$31,114 from Wasatch County. The note bears interest at 1.54% and is due in 1 year. The district retired the note in May 2005.

During 2004, the District purchased a truck. The District financed \$17,548 at an annual percentage rate of 6.99%. Payments of \$543 are due monthly beginning February 14, 2005, and continuing for 36 months. The note is secured by the truck.

#### **Wasatch County Fire Protection Special Service District**

In 2001, the Wasatch County Fire Protection Special Service District entered into an agreement with Information Leasing Corporation to purchase a Pierce Hawk Wildland Truck. The District financed \$146,546 over a 5 year period. Monthly payments of \$2,765 will be made through August 2006. The annual interest rate on the note is 4.99%. The note is secured by the truck.

#### **Jordanelle Special Service District Special Assessment Bond, Series 1999A**

During 1999, the Jordanelle Special Service District issued Special Assessment Bond, Series A, in the amount of \$2,736,000. This bond was used to pay off the interim warrants from the State of Utah which were used to finance the construction of the Jordanelle Trunk Line. The bond will be payable over a ten-year period with a 3% interest rate. Annual payments begin October 1, 2000.

#### **Jordanelle Special Service District Special Assessment Bond, Series 1999B**

During 1999, the Jordanelle Special Service District issued Special Assessment Bond, Series B, in the amount of \$1,153,000. This bond was used to pay off the Sewer loan with Zions Bank. The bond will be payable over a ten-year period with interest rates ranging from 6.3% to 6.8%. Annual payments begin October 1, 2000.

#### **Jordanelle Special Service District Special Assessment Bond, Series 2000A**

During 2000, the Jordanelle Special Service District issued Special Assessment Bond, Series A, in the amount of \$11,660,000. This bond was used for acquiring and installing main sewer and water lines and related facilities and feeder lines which will bring water and sewer service to the boundaries of the

**WASATCH COUNTY**  
**Notes to Financial Statements**

December 31, 2005

**NOTE 4 – LONG-TERM DEBT (CONTINUED)**

privately owned Tier One Assessment parcels of land in the District. The bond will be payable over a ten-year period with an 8% interest rate. Annual payments began October 1, 2001.

**Jordanelle Special Service District Special Assessment Bond, Series 2000B**

During 2000, the Jordanelle Special Service District issued Special Assessment Bond, Series B, in the amount of \$9,000,000. This bond was used to pay off the interim warrants from the State of Utah which was used to finance the construction of the Ross Creek Water Treatment Plant. The bond was originally payable over a ten-year period with a 7.1% interest rate. Annual payments begin January 1, 2002. The bond was refunded on December 29, 2005 by the Special Assessment Refunding Bonds, Series 2005A and 2005B.

**Jordanelle Special Service District Special Assessment Bond, Series 2000C**

During 2000, the Jordanelle Special Service District issued Special Assessment Bond, Series C, in the amount of \$5,568,331. This bond was used to pay off the interim warrants from the State of Utah which was used to finance the construction of the Ross Creek Water Treatment Plant. The bond was originally payable over a ten-year period with a 7.1% interest rate. Annual payments begin January 1, 2002. The bond was refunded on December 29, 2005 by the Special Assessment Refunding Bonds, Series 2005A and 2005B.

**Jordanelle Special Service District Special Assessment Bond, Series 2000D**

During 2001, the Jordanelle Special Service District issued Special Assessment Bond, Series D, in the amount of \$15,736,669. This bond was used to pay off the interim warrants from Zion's Bank which were used to finance the construction of infrastructure related to the Ross Creek Water Treatment Plant. The bond was originally payable over a ten-year period with a 7.35% interest rate. Annual payments begin January 1, 2002. The bond was refunded on December 29, 2005 by the Special Assessment Refunding Bonds, Series 2005A and 2005B.

**Jordanelle Special Service District Certificates of Participation**

These certificates were issued in 2002 in the amount of \$600,000. They were used to purchase the land on which the Wastewater Reclamation Facility will be built. The certificates will be payable over a ten-year period with interest rates ranging from 2.8% to 4.6%. Annual payments began April 1, 2003.

**Jordanelle Special Service District Water Rights Purchase Note Payable**

In June 2002, the District entered into an agreement with Mountain View Ranches, LLC to purchase water rights for 600 acre feet of water in the amount of \$3,000,000. The 600 acre feet will be purchased in one block of 200 acre feet in 2002 for \$1,000,000, and blocks of 100 acre feet over the

**WASATCH COUNTY**  
**Notes to Financial Statements**

December 31, 2005

**NOTE 4 – LONG-TERM DEBT (CONTINUED)**

next four years for \$500,000 each. Five annual payments will be made for each block of water purchased with an interest rate of 7.5% per annum. In March 2003, the contract was renegotiated in order to purchase water rights for 660.564 acre feet of water over an eight year period. In December 2003, these certificates were issued in the amount of \$3,853,000 to pay off the agreement with Mountain View Ranches, LLC. The certificates will be payable over a twenty-year period with an interest rate ranging from 3.15% to 6.0%. Annual payments begin May 15, 2004.

**Jordanelle Special Service District Advance Refundings**

The District issued \$15,670,000 in Special Assessment Refunding Bonds, Series 2005A and 2005B, to provide resources to purchase U.S. Government securities that were placed in an irrevocable trust for the purpose of generating resources for the balance of all future debt service payments of \$17,758,000 of Special Assessment Bonds. As a result, the refunded bonds are considered to be defeased and the liability has been removed from the statement of net assets. This advance refunding was undertaken to reduce total debt service payments over the next 6 years by \$2,789,115 and resulted in an economic gain of \$1,103,011.

**Jordanelle Special Service District Tuhaye Special Assessment Bond**

This bond was issued in 2005 in the amount of \$20,690,000. Bond proceeds are being used to fund infrastructure and development of the Tuhaye Development. This bond is payable over a 20-year period with a variable interest rate. Annual payments will begin on September 1, 2007. Assessment prepayments from project sales began in September 2005, to redeem bonds.

**Jack and Bette Anderson Note**

On May 25, 1995, the Solid Waste Disposal Special Service District entered into an agreement with Jack and Bette Anderson to purchase land for \$231,000 to be used for a solid waste transfer station. The Special Service District paid \$52,000 in cash and executed a note for the balance of \$179,000 at 6% interest per annum. Monthly payments of \$1,511 began July 1, 1995 and continue until maturity, June 1, 2010. The note is secured by a trust deed on the land.

**Wasatch View Acres Road Asphalt Overlay Line of Credit #1**

On February 9, 1998 the Wasatch View Acres Special Service District borrowed \$137,866 from Zions First National Bank to finance a road asphalt overlay project. The line of credit is payable in annual installments of \$10,004 beginning in January 1999 and going through January 2008 and accrues interest at 3.19%.



**WASATCH COUNTY**  
**Notes to Financial Statements**

December 31, 2005

**NOTE 4 – LONG-TERM DEBT (CONTINUED)**

**Wasatch County Subdivision Line of Credit**

On February 14, 2000 the Wasatch County Subdivision Special Service District borrowed \$129,014.71 from Zions First National Bank to finance the Heber Estates project. The line of credit is payable in annual installments of \$11,026.90 beginning June 1, 2000 and going through June 1, 2009 and accrues interest at 3.19%.

**Wasatch County Municipal Building Authority CIB Loan**

In 1990, the Wasatch County Municipal Building Authority borrowed \$160,000 from the Community Impact Board (CIB) to finance the construction of the Heber Valley Chamber of Commerce visitors' center. The loan bears interest at 3.63%. Principal and interest payments of \$11,258 are due on December 30th of each year through 2011.

**Wasatch County General Obligation Refunding Bonds, Series 2004**

In April 2004, the Wasatch County Special Service District No. 21 issued General Obligation Recreation Refunding Bonds in the amount of \$1,603,000. The bonds are Fixed-Rate Term Bonds maturing on March 1, 2015. Interest on the bonds accrues semi-annually on September 1 and March 1 with an annual interest rate of 3.7%. The bonds are secured by the proceeds of ad valorem taxes to be levied on all taxable property in the County.

**Wasatch County General Obligation Recreation Bonds, Series 1996**

On August 15, 1996, the Wasatch County Special Service District No. 21 issued General Obligation Recreation Bonds in the amount of \$2,250,000. The issue consisted of \$1,570,000 of Serial Bonds maturing on March 2, 1998 through 2012 with rates ranging from 5% to 5.55% and \$680,000 of Term Bonds due March 1, 2016 with a rate of 5.7%.

**Hicken Trust Deed Note**

In December of 1996, the County bought land from the Heber Valley Historic Railroad by assuming the seller's obligations under a trust deed note to Don L. Hicken and Mima B. Hicken. The note requires payment of \$1,627.89 per month at 5.5% interest until July of 2005. The note is secured by a trust deed on the land.

**U.S. Department of Agriculture**

During 2001, the County made renovations on the County Services building with funds obtained from the U.S. Department of Agriculture. The County borrowed \$200,000 and makes monthly principal and interest payments of \$1,334 until May of 2021. The note bears interest at 5.125%.

**WASATCH COUNTY**  
**Notes to Financial Statements**

December 31, 2005

**NOTE 4 – LONG-TERM DEBT (CONTINUED)**

**Melvin Montgomery Trust Deed Note**

In November of 2002, the County bought 7.33 acres of land from Melvin and Ruth Montgomery and the Richard S. Williams Family Living Trust with a note payable of \$141,525. The note requires annual payments of \$35,446 at 8% interest until November of 2007. The note is secured by a trust deed on the land.

**Don Hicken Trust Deed Note**

In December of 2002, the County bought 20.816 acres of land from the Don L. Hicken Family Trust with a note payable of \$942,500. The note requires semi-annual payments of \$48,086 at 6% until January of 2018.

**Wasatch County Sales Tax Revenue and Refunding Bonds Series 2002**

In June of 2002, the County issued \$3,855,000 of sales tax revenue and refunding bonds to finance the construction of a special events center and to refinance the 1999 Wasatch County Municipal Building Authority Revenue Bonds. The sales tax revenue and refunding bonds are due in annual principal installments ranging from \$125,000 to \$270,000 beginning in 2002 and going through December 1, 2022. The bonds accrue interest at rates ranging from 3.00% to 5.00%. Interest is payable semi-annually on June 1st and December 1st of each year.

**Wasatch County General Obligation and Refunding Bonds, Series 2002**

In October of 2002, the County issued \$8,565,000 of general obligation and refunding bonds to finance the construction of a new library and senior citizens building and to refinance the 1993 General Obligation Public Building Bonds. The general obligation and refunding bonds are due in annual principal installments ranging from \$165,000 to \$660,000 beginning in 2002 and going through December 1, 2022. The bonds accrue interest at rates ranging from 3.40% to 4.90%. Interest is payable annually on December 1<sup>st</sup> of each year.

**Wasatch County Lease Revenue Bonds, Series 2003**

In August of 2003, the County issued \$1,490,000 of lease revenue bonds to refinance the 1995 Municipal Building Authority Revenue Bonds. The lease revenue bonds are due in annual principal installments ranging from \$65,000 to \$135,000 beginning in 2003 and going through October 1, 2016. The bonds accrue interest at rates ranging from 3.00% to 5.00%. Interest is payable semi-annually on April 1<sup>st</sup> and October 1<sup>st</sup> of each year.

# **WASATCH COUNTY**

## **Notes to Financial Statements**

December 31, 2005

### **NOTE 4 – LONG-TERM DEBT (CONTINUED)**

#### **Wasatch County Special Assessment Bond**

In May of 2003, the County purchased Hicken property, which is a part of the 1200 South Special Improvement District for the construction of the library and senior citizen building. The Heber City Council adopted Ordinance #2001-12 which authorized the method of assessment and specific levy against benefited properties on 1200 South. As a benefited property, Wasatch County has assumed a 6.3099% interest in the Heber City Road Assessment Bond. The bond payments to Heber City are due in annual principal payments ranging from \$6,221 to \$8,708 beginning in 2003 and going through July 25, 2011. Interest on the bond accrues at rates ranging from 4.35% to 5.15% and is payable annually on July 25<sup>th</sup> of each year.

#### **U.S. Department of Agriculture Public Safety Revenue Bond, Series 2005**

In December of 2005, the County issues \$108,100 of public safety revenue bonds to acquire an ambulance and related equipment. The County received an advance of \$10,000 in 2005 and the remaining \$98,100 in January 2006. The public safety revenue bonds are due in annual principal installments ranging from \$8,952 to \$12,878 beginning in 2006 and going through December 23, 2015. The bonds accrue interest at a fixed rate of 4.125%. Interest is paid annually.

#### **U.S. Department of Agriculture Solid Waste Revenue Bond, Series 2005**

In December of 2005, the County issues \$160,000 of solid waste revenue bonds to acquire a garbage truck and related equipment. The County received an advance of \$10,000 in 2005 and the remaining \$150,000 in January 2006. The solid waste revenue bonds are due in monthly principal installments ranging from \$1,081 to \$1,396 beginning in January 2006 and going through December 23, 2015. The bonds accrue interest at a fixed rate of 4.125%. Interest is paid monthly.

**WASATCH COUNTY**  
**Notes to Financial Statements**

December 31, 2005

**NOTE 5 – CAPITAL LEASE COMMITMENTS**

The following is a schedule by year of future minimum lease payments under capital lease together with the present value of the minimum lease payments.

**Future Minimum Lease Commitments**

Year ending <u>December 31:</u>	<u>Primary Government</u>	
	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
2006	26,847	237,812
2007	14,195	232,511
2008	14,195	229,831
2009	7,099	231,631
2010	-	233,231
2011-2015	-	1,055,075
2016-2020	-	815,500
2021-2022	-	328,000
Total future minimum lease payments	62,336	3,363,591
Less interest	(4,189)	(1,009,814)
Present value of minimum lease payments	58,147	2,353,777
Amount due within one year	(24,687)	(131,170)
Amount due after one year	<u>33,460</u>	<u>2,222,607</u>

**Changes in Capital Lease Long-Term Obligation**

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
Balance At January 1, 2005	91,837	2,488,786
Increase in Lease Obligations	-	-
Decrease in Lease Obligations	(33,690)	(135,009)
Balance at Decemter 31, 2005	<u>58,147</u>	<u>2,353,777</u>

# WASATCH COUNTY

## Notes to Financial Statements

December 31, 2005

### NOTE 5 – CAPITAL LEASE COMMITMENTS (CONTINUED)

All lease-purchase agreements contain fiscal funding clauses which allow cancellation of the lease if future funding is not budgeted by the governing body.

The lease-purchase agreements listed above meet the requirements of a capital lease pursuant to FASB Statement 13. Therefore the related assets are capitalized and depreciated in the government-wide financial statements and in proprietary and fiduciary funds. Current lease payments are shown as debt service payments in the appropriate funds.

### NOTE 6 – OPERATING LEASES

The County has entered into non-cancelable leases for copy machines and equipment. Operating leases are leases for which the County will not gain title to the property being leased; therefore, the related assets and liabilities are not recorded on the County's books. Operating lease payments are recorded as expenditures when paid. Total operating lease payments for 2005 were \$56,715. Future minimum obligations under existing operating leases are as follows:

Year ending December 31:	Governmental Activities	Business-Type Activities	Total
2006	55,865	-	55,865
2007	54,499	-	54,499
2008	25,673	-	25,673
2009	15,177	-	15,177
2010	3,238	-	3,238
Total	154,452	-	154,452

### NOTE 7 - RETIREMENT PLANS

The County participates in the Utah Retirement System (URS), which is a cost-sharing multiple-employer Public Employee Retirement System (PERS), defined benefit pension plan covering substantially all employees of the State of Utah and employees of other participating local governmental units. The URS administers the following separate retirement systems in which the County participates: the Noncontributory Public Employees Retirement System and the Public Safety Retirement System. Under the Noncontributory Public Employees system the County contributed 11.09% of eligible employees' earnings for the period January through June, 2005, and 11.09% for the period July through December, 2005. Under the Public Safety Retirement System the County paid a total of 19.08% of eligible employees' earnings for the period January through June, 2005, and 19.34% for the period July through December, 2005. Elected officials have the option of not being covered under these plans. The elected officials may have the County's retirement contributions made to a qualified retirement plan of their choice.

# WASATCH COUNTY

## Notes to Financial Statements

December 31, 2005

### NOTE 7 - RETIREMENT PLANS (CONTINUED)

The payroll subject to retirement contribution to the Utah Retirement System for 2005 was \$6,413,515; the County's total payroll was \$6,868,760. Contributions for 2005 of \$978,949 represent 15.26% of total participating employees' salaries and wages. The contribution rate is designed to fund current pension costs as they accrue and to amortize past-service costs over a 40-year period. Contributions to the system were remitted on a timely basis.

The systems have been established and are governed by the respective sections of Chapter 49 of the Utah Code Annotated 1953, as amended, which specify the benefits and required contributions for each retirement plan. A brief summary of eligibility and benefits is as follows:

	CONTRIBUTORY SYSTEM	NONCONTRIBUTORY SYSTEM	PUBLIC SAFETY SYSTEM
Highest Average Salary	Highest 5 years	Highest 3 years	Highest 3 Years
Years of Service	30 years any age	30 years any age	20 years any age
Required/Age	25 years any age	25 years any age	10 years age 60
Eligible for Benefit	20 years age 60	20 years age 60	4 years age 65
	10 years age 62	10 years age 62	
	4 years age 65	4 years age 65	
Benefit Percent	1.10% per year to June 1967		2.5% per year up to 20 years
	1.25% per year to June 1975		2.0% per year over 20 years
	2.00% per year to present		

The County contributions to the Noncontributory Retirement System for December 31, 2005, 2004 and 2003 were \$579,489, \$482,130, and \$408,386 respectively and for the Public Safety Retirement System the contributions for December 31, 2005, 2004 and 2003 were \$228,340, \$192,391, and \$169,108, respectively. The contributions were equal to the required contributions for each year.

Ten-year historical trend information showing URS progress in accumulating sufficient assets to pay benefits when due is presented in the URS December 31, 2005 component unit financial report. A copy of the report may be obtained by writing to the Utah Retirement Systems, 540 East 200 South, Salt Lake City, UT 84102 or by calling 1-800-365-8772.

The County also participates in a 401K retirement plan administered by the URS. This plan meets the requirements of a qualified plan under section 401K of the Internal Revenue Code and covers substantially all eligible employees, except public safety employees. Under the plan, the County contributed 4.0% of eligible earnings for employees participating in the URS noncontributory system described above. As noted in the first paragraph of this note, elected officials in the County who have elected not to be covered under the Utah Retirement Systems may have equivalent contributions made for them to the 401K plan. The employees have the option of making additional voluntary

# WASATCH COUNTY

## Notes to Financial Statements

December 31, 2005

### NOTE 7 – RETIREMENT PLANS (CONTINUED)

contributions through payroll deductions. The County's expenditure for this plan in 2005 was \$171,120 which was 3.26% of covered payroll of \$5,225,329. Employees are 100% vested in all contributions made to the plan.

### NOTE 8 – EXCESS OF ACTUAL EXPENDITURES OVER BUDGET

The following departments in the General, Special Revenue, and Debt Service Funds incurred actual expenditures in excess of budgeted expenditures:

<b>General Fund</b>	<b>Excess of Expenditures Over Budgeted Amounts</b>	<b>% Over Budget</b>
<u>Department</u>		
Data Processing	13,369	13.8
General Government Buildings	322,252	44.5
Legislative Code and Public Land	371	.4
Ambulance	29,083	6.1
Indigent	1,010	67.3
<b>Special Revenue Fund</b>		
Liquor Distribution	7,395	52.8
<b>Debt Service Fund</b>		
Parks & Recreation	119,128	45.4

### NOTE 9 – JOINT VENTURE – BLUE BENCH LANDFILL

Wasatch County purchased a one-half interest in Blue Bench Landfill from Duchesne County on July 11, 1995, and entered into an interlocal agreement to jointly own, maintain, use and manage the landfill. Duchesne County is designated as the operator of the landfill. Assets and liabilities are owned equally by each of the counties. Expenses are allocated and reported based on each county's percentage of total waste disposal. Each county pays tippage fees equal to their share of expenditures for operating the landfill and any excess tippage fees are due back to the county. The County has recorded this equity interest in the Wasatch County Solid Waste Special Service District, which is an enterprise fund of the County.

**WASATCH COUNTY**  
**Notes to Financial Statements**

December 31, 2005

**NOTE 9 – JOINT VENTURE –BLUE BENCH LANDFILL (CONTINUED)**

Below is a summary of the financial position of Blue Bench Landfill.

	<u>2005</u>
Assets	1,622,446
Liabilities	1,262,666
Total equity	359,780
Joint Venture Debt:	
Long-term	1,116,827
Total Revenues	593,402
Total Operating Expenses	673,842

A complete copy of Blue Bench Landfill's audited financial statements as of December 31, 2005 is available at the Duchesne County offices or at the Wasatch County Clerk/Auditor's office.

**NOTE 10 – TRANSFERS**

The following is a summary of inter-fund transfers during 2005:

<u>Description</u>	<u>Transfers In</u>	<u>Transfers Out</u>
<b>General Fund</b>	177,553	1,423,119
<b>Special Revenue Funds</b>		
Parks & Recreation	131,617	
911 Emergency Service		39,05
Convention Bureau	150,000	61,812
Tourist & Recreation		200,000
<b>Capital Projects Funds</b>		
Correctional Facilities		154,595
Special Events Center	1,129,917	
<b>Debt Service Funds</b>		
Municipal Building Authority	22,136	
Government Buildings	122,978	
<b>Internal Service Funds</b>		
Auto Maintenance Fund	55,781	
Computer Replacement Fund	31,484	
Auto Replacement Fund	195,613	138,503
	<u>2,017,079</u>	<u>2,017,079</u>



**WASATCH COUNTY**  
**Notes to Financial Statements**

December 31, 2005

**Note 11 - Condensed Financial Statements - Discretely Presented Component Units**  
**Condensed Financial Statements for the year ended December 31, 2005, are as follows:**

**Condensed Statement of Net Assets**

	Governmental Activities	Business-Type Activities					Total
		Wasatch County Special Service District #9	Heber Valley Special Service District	Jordan- elle Special Service District	Timber- lakes Water Special Service District	Business Type Activities Sub- total	
<b>Assets</b>							
Current Assets		816,145	5,779,925	2,905,398	265,924	8,951,247	9,767,392
Noncurrent Assets:							
Restricted Cash							
Special Assessments				15,188,919	461,314	15,650,233	15,650,233
Bond Issuance Costs				42,430,000		42,430,000	42,430,000
Capital Assets (Net)		722,323	13,191,779	1,456,279	35,700	1,491,979	1,491,979
Total Assets		1,538,468	18,971,704	76,574,216	4,073,959	93,839,954	94,562,277
				138,554,812	4,836,897	162,363,413	163,901,881
<b>Liabilities</b>							
Current Liabilities							
Other Current Liabilities	34		17,704	7,813,367	267,629	8,098,700	8,098,734
Noncurrent Liabilities:							
Long-Term Debt				88,867,088	2,524,345	91,391,433	91,391,433
Total Liabilities	34		17,704	96,680,455	2,791,974	99,490,133	99,490,167
<b>Net Assets</b>							
Capital Assets - Net of Related Debt							
Restricted		722,323	13,191,779	31,156,759	1,656,665	46,005,203	46,727,526
Unrestricted		816,111	4,449,744	4,541,019	225,031	9,215,794	10,031,905
Total Net Assets		1,538,434	18,954,000	41,874,357	2,044,923	62,873,280	64,411,714
Total Liabilities and Net Assets		1,538,468	18,971,704	138,554,812	4,836,897	162,363,413	163,901,881

WASATCH COUNTY  
Notes to Financial Statements  
December 31, 2005

**Note 11 - Condensed Financial Statements - Discretely Presented  
Component Units (continued)**

Condensed Financial Statements for the year ended December 31, 2005, are as follows:

**Condensed Statement of Revenues, Expenses and Changes in Net Assets**

*Governmental Activities*

	Wasatch County Special Service District #9	Total
Revenues	627,264	627,264
Current Expenses	(181,500)	(181,500)
Change in Net Assets	445,764	445,764
Net Assets - Beginning	1,092,670	1,092,670
Net Assets - Ending	<u>1,538,434</u>	<u>1,538,434</u>

*Business-Type Activities*

	Heber Valley Special Service District	Jordan- elle Special Service District	Timber- lakes Water Special Service District	Total
Operating Revenues	549,964	13,649,523	759,372	14,958,859
Operating Expenses:				
Depreciation	(376,401)	(1,383,484)	(67,437)	(1,827,322)
Other	(367,716)	(4,615,215)	(530,115)	(5,513,046)
Operating Income (Loss)	(194,153)	7,650,824	161,820	7,618,491
Non-Operating Revenues (Expenses):				
Interest Income	33,472	358,741	13,109	405,322
Interest Expense		(2,616,778)	(113,647)	(2,730,425)
Impact Fees	1,953,866	551,227		2,505,093
Land Rent	8,337			8,337
Gain (Loss) on Sale of Assets	500	(34,875)		(34,375)
Total Non-Operating Revenues (Expenses)	1,996,175	(1,741,685)	(100,538)	153,952
Change in Net Assets	1,802,022	5,909,139	61,282	7,772,443
Net Assets - Beginning	17,151,978	35,965,218	1,983,641	55,100,837
Net Assets - Ending	<u>18,954,000</u>	<u>41,874,357</u>	<u>2,044,923</u>	<u>62,873,280</u>

WASATCH COUNTY

Notes to Financial Statements

December 31, 2005

**NOTE 12 – DEFICIT NET ASSETS**

For the year ended December 31, 2005, the County had negative equity in the Parks and Recreation Special Revenue Fund.

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**REQUIRED  
SUPPLEMENTARY  
INFORMATION  
“UNAUDITED”**

**WASATCH COUNTY**  
**Condition Rating of the County's Road System**  
December 31, 2005

	Total Miles	Total Miles	Total Miles	Percentage of Lane-Miles in Good or Better Condition		
	2003	2004	2005	2003	2004	2005
Paved	122.0	122.3	121.8	85.26%	85.29%	85.00%
Gravel	55.0	53.3	54.9	49.64%	48.85%	48.00%
Dirt	0.0	0.0	0.0	0.00%	0.00%	0.00%
Overall system	177.0	175.6	176.7	63.33%	63.14%	62.05%

	Total Miles	Total Miles	Total Miles	Percentage of Lane-Miles in Poor Condition		
	2003	2004	2005	2003	2004	2005
Paved	21.1	21.1	20.3	14.74%	14.71%	14.29%
Gravel	55.8	55.8	59.5	50.36%	51.15%	52.00%
Dirt	25.6	25.6	25.9	100.00%	100.00%	100.00%
Overall system	102.5	102.5	105.7	36.67%	36.86%	37.95%

	Total Miles	Total Miles	Total Miles	Comparison of Needed-to-Actual Maintenance/Preservation		
	2003	2004	2005	2003	2004	2005
Paved:						
Needed	21.1	21.1	20.3			
Actual	6.0	0.0	3.0	28.44%	0.00%	14.29%
Gravel:						
Needed	55.8	55.8	59.5			
Actual	0.0	0.0	10.0	0.00%	0.00%	17.92%
Dirt:						
Needed	25.6	25.6	25.9			
Actual	0.0	0.0	0.0	0.00%	0.00%	0.00%
Overall system:						
Needed	102.5	102.5	105.7			
Actual	6.0	0.0	13.0	5.89%	0.00%	12.76%
Difference	96.5	102.5	92.7	94.11%	100.00%	87.24%

The condition of road pavement is measured using the American ..... (AASHTO) pavement management system, which is based on stress factors found in pavement surfaces. The AASHTO pavement management system uses a measurement scale that is based on a condition index ranging from zero for a failed pavement to 100 for a pavement in perfect condition. The condition index is used to classify roads in good condition (70-100), fair condition (50-69), and substandard condition (less than 50). It is the county's policy to maintain at least 60 percent of its road system at a good or better condition level. No more than 15 percent should be in substandard condition. Condition assessments are determined every year.

This schedule only presents the information for the last two years. GASB standards require reporting the last three complete condition assessments and needed-to-actual information for 5 years. However, the County implemented these new standards in 2003, and did not collect this information for prior years. The County will continue to collect and retain this information so that over a period of five years it will be able to report the required information.

**WASATCH COUNTY**  
**Budgetary Comparison Schedule**  
**General Fund**

For the Year Ended December 31, 2005

	Budgeted Amounts		Actual Amounts (Budgetary Basis) (See Note A)	Variance With Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, January 1	2,453,022	2,453,022	2,453,022	
Resources (Inflows):				
<u>Taxes:</u>				
Property taxes - current	3,076,886	3,076,886	3,191,682	114,796
Property taxes - delinquent	196,007	196,007	314,812	118,805
Assessing and collecting taxes	553,811	553,811	515,898	(37,913)
Fee in lieu of taxes	257,154	257,154	330,771	73,617
General sales and use taxes	1,141,264	1,141,264	1,284,512	143,248
Penalties and interest	151,559	151,559	181,896	30,337
Total Taxes	5,376,681	5,376,681	5,819,571	442,890
<u>Licenses and Permits:</u>				
Business licenses	15,900	15,900	14,672	(1,228)
Excavating permits	10,000	10,000	3,066	(6,934)
Building permits	650,000	1,050,000	1,059,556	9,556
Marriage licenses	3,000	3,000	3,390	390
Engineer inspection fees	300,000	1,154,000	1,223,618	69,618
Total Licenses and Permits	978,900	2,232,900	2,304,302	71,402
<u>Intergovernmental Revenue:</u>				
W.A.D.E.N. contract	5,000	5,000		(5,000)
Homeland security grants		600,000	472,253	(127,747)
Mosquito control			28,505	28,505
Public safety grants	37,337	37,337	18,529	(18,808)
Department of Aging contracts	52,979	52,979	32,567	(20,412)
Title XX			2,791	2,791
Surveyor grants	25,000	25,000	25,000	
Forest reserve	68,000	68,000	71,550	3,550
State wildland fire	53,297	53,297		(53,297)
State payment-in-lieu of taxes	6,235	6,235	6,528	293
Federal payment-in-lieu of taxes	590,234	590,234	603,927	13,693
Flood damage contracts	4,269	4,269	139,827	135,558
Children's Justice Center state grant	77,038	77,038	80,191	3,153
Drug and alcohol contracts	292,131	292,131	325,039	32,908
Mental health contract	217,000	217,000	300,395	83,395
Emergency management contract	8,400	8,400	7,000	(1,400)
Water quality study contract	49,650	49,650	46,993	(2,657)
Trailhead restroom grant			7,500	7,500
LLEBG grant			6,011	6,011
Ambulance grants	13,041	13,041	16,580	3,539
GIS rural mapping grant			20,000	20,000
Victims Advocate grant	33,990	33,990	32,735	(1,255)
State coyote bounty	2,500	2,500	1,220	(1,280)
Total Intergovernmental Revenue	1,536,101	2,136,101	2,245,141	109,040

**WASATCH COUNTY**  
**Budgetary Comparison Schedule**  
**General Fund**

For the Year Ended December 31, 2005

	Budgeted Amounts		Actual Amounts	Variance With
			(Budgetary Basis)	Final Budget
	Original	Final	(See Note A)	Positive (Negative)
Resources (Inflows) Continued:				
<u>Charges for Services:</u>				
Engineering & construction inspection	42,792	42,792	14,616	(28,176)
Attorney's fees	2,000	2,000	4,478	2,478
Recording of legal documents	240,000	240,000	277,500	37,500
Zoning and subdivision fees	175,000	375,000	323,288	(51,712)
Restoration - Recorder	3,000	3,000		(3,000)
Sale of maps and publications	9,000	9,000	14,343	5,343
Auditor's fees	71,346	71,346	77,463	6,117
Assessor's fees	43,500	43,500	45,908	2,408
Photocopy charges	30,000	30,000	35,353	5,353
Survey fees	5,500	5,500	2,300	(3,200)
Special sheriff services	1,087,000	1,087,000	1,120,620	33,620
Work crew	53,712	53,712		(53,712)
Work release fees	11,000	11,000	14,700	3,700
Law enforcement contracts	38,000	38,000	37,469	(531)
Emergency medical/Ambulance	290,000	290,000	352,530	62,530
Weed removal	3,000	3,000	9,893	6,893
Mental health	383,650	383,650	74,128	(309,522)
Drug and alcohol client fees	43,515	43,515	31,982	(11,533)
Janitor services	15,864	15,864		(15,864)
Congregate meals	36,600	36,600	28,358	(8,242)
GIS Prints	15,000	15,000	17,210	2,210
Midway building inspection		33,000	33,739	739
County fair	73,960	73,960	83,961	10,001
Jail commissary	108,000	208,000	163,267	(44,733)
Miscellaneous	3,532	3,532	3,657	125
Total Charges For Services	2,784,971	3,117,971	2,766,763	(351,208)
<u>Fines and Forfeitures:</u>				
Justice court fines	489,000	489,000	440,232	(48,768)
District court fines	10,000	10,000	3,974	(6,026)
Miscellaneous court fines	12,000	12,000	3,004	(8,996)
Security surcharge	120,000	120,000	121,888	1,888
Total Fines and Forfeitures	631,000	631,000	569,098	(61,902)
<u>Other Revenues:</u>				
Sale of fixed assets	35,000	602,000	631,928	29,928
Interest income			28,055	28,055
Rental income	1,500	1,500	20	(1,480)
Lease contracts	69,610	69,610	62,950	(6,660)
State court lease maintenance	39,670	39,670	39,670	
Phone commission - jail	20,000	20,000	27,662	7,662
Miscellaneous	8,590	8,590	68,607	60,017
Total Other Revenues	174,370	741,370	858,892	117,522

**WASATCH COUNTY**  
**Budgetary Comparison Schedule**  
**General Fund**

For the Year Ended December 31, 2005

	Budgeted Amounts		Actual Amounts (Budgetary Basis) (See Note A)	Variance With Final Budget Positive (Negative)
	Original	Final		
Resources (Inflows) Continued:				
<u>Other Financing Sources:</u>				
Transfers from other funds	39,050	39,050	177,553	138,503
Bond proceeds			10,000	10,000
Contributions	46,171	282,771	351,814	69,043
Total Other Financing Sources	85,221	321,821	539,367	217,546
Amounts Available For Appropriation	14,020,266	17,010,866	17,556,156	545,290
Charges to Appropriations (Outflows):				
<u>General Government:</u>				
County Manager	158,198	164,384	162,779	1,605
Board of Council	203,071	212,242	210,486	1,756
District and Circuit Courts	91,100	91,100	84,105	6,995
Justice Court	147,915	151,280	145,321	5,959
Children's Justice Center	120,729	120,729	107,622	13,107
Central Purchasing	279,424	314,424	299,928	14,496
Personnel	77,638	92,570	85,713	6,857
Data Processing		96,662	110,031	(13,369)
Clerk Auditor	401,755	407,663	391,482	16,181
Treasurer	173,848	176,902	170,144	6,758
Recorder	361,373	366,040	354,501	11,539
Attorney	437,791	452,978	449,251	3,727
Assessor	409,572	417,584	398,338	19,246
Surveyor	149,846	152,526	152,519	7
Engineer	204,945	214,275	207,757	6,518
General Government Buildings	521,033	724,000	1,046,252	(322,252)
Grants	16,008	616,008	486,375	129,633
Elections	17,000	17,000	6,277	10,723
Subdivision Out of Pocket		200,000	139,080	60,920
Planning and Zoning	507,422	514,182	477,972	36,210
Legislative Code and Public Land	93,657	95,451	95,822	(371)
Building Inspector	347,395	366,523	366,075	448
Total General Government	4,719,720	5,964,523	5,947,830	16,693
<u>Public Safety:</u>				
Sheriff	1,695,831	1,905,547	1,651,096	254,451
Dispatch/Jail	367,840	373,924	369,801	4,123
Ambulance	349,253	475,334	504,417	(29,083)
Wildland Fire	115,260	115,260	109,998	5,262
Corrections	1,188,166	1,284,736	1,276,494	8,242
Weed and Pest Control	146,374	203,500	161,503	41,997
Animal Control and Regulations	50,000	65,000	65,000	
Emergency Management	7,200	7,200	1,053	6,147
Jail Commissary	108,000	208,000	153,865	54,135
Total Public Safety	4,027,924	4,638,501	4,293,227	345,274



**WASATCH COUNTY**  
**Budgetary Comparison Schedule**  
**General Fund**  
For the Year Ended December 31, 2005

	Budgeted Amounts		Actual Amounts (Budgetary Basis) (See Note A)	Variance With Final Budget Positive (Negative)
	Original	Final		
Charges to Appropriations (Outflows) Continued:				
<u>Public Health:</u>				
Drug and Alcohol	387,576	387,576	338,020	49,556
Mental Health	650,416	642,394	455,865	186,529
Indigent	1,500	1,500	2,510	(1,010)
Total Public Health	1,039,492	1,031,470	796,395	235,075
<u>Streets and Public Improvements:</u>				
Streets and Highways	964,392	1,005,593	959,043	46,550
Flood Control	5,000	143,000	137,286	5,714
Total Streets and Public Improvements	969,392	1,148,593	1,096,329	52,264
<u>Parks, Recreation and Public Property:</u>				
T.V. System	13,400	13,400	8,400	5,000
Victim Advocate	54,653	54,653	45,858	8,795
Total Parks, Recreation and Public Prop	68,053	68,053	54,258	13,795
<u>Conservation and Economic Development:</u>				
Extension Services	91,445	92,126	86,231	5,895
County Fair	110,000	145,800	140,758	5,042
Total Conservation and Economic Dev	201,445	237,926	226,989	10,937
<u>Intergovernmental Expenditure:</u>				
Senior Citizens	199,374	209,563	204,601	4,962
Total Intergovernmental Expenditure	199,374	209,563	204,601	4,962
<u>Other Financing Uses:</u>				
Transfers to Other Funds	10,324	1,140,241	1,423,119	(282,878)
Fire Truck Debt Service	39,542	301,813	301,813	
Total Other Financing Uses	49,866	1,442,054	1,724,932	(282,878)
Total Charges to Appropriations	11,275,266	14,740,683	14,344,561	396,122
Budgetary Fund Balance, December 31	2,745,000	2,270,183	3,211,595	941,412

Wasatch County  
**Note A**  
**Budgetary Comparison Schedule**  
**Budget-to-GAAP Reconciliation**  
For The Year Ended December 31, 2005

	<u>General Fund</u>
<b>Sources/Inflows and Resources</b>	
Actual amounts (budgetary basis) "available for appropriation" from the budgetary comparison schedules.	17,556,156
<b>Differences - Budget to GAAP</b>	
The fund balance at the beginning of the year is a budgetary resource but is not a current-year revenue for financial reporting purposes.	(2,453,022)
Transfers from other funds are inflows of budgetary resources but are not revenues for financial reporting purposes.	(177,553)
Bond proceeds are inflows of budgetary resources but are not revenues for financial reporting purposes.	(10,000)
Contributions are inflows of budgetary resources but are not revenues for financial reporting purposes.	<u>(351,814)</u>
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	<u><u>14,563,767</u></u>
<b>Uses/Outflows of Resources</b>	
Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedules.	14,344,561
<b>Differences - Budget to GAAP</b>	
Transfers to other entities are outflows of budgetary resources but are not expenditures for financial reporting purposes.	<u>(1,423,119)</u>
Total expenditures as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	<u><u>12,921,442</u></u>

**COMBINING  
FINANCIAL  
STATEMENTS  
AND SCHEDULES**

**WASATCH COUNTY**  
**Combining Statement of Changes in Assets and Liabilities**  
**All Agency Funds**  
For The Year Ended December 31, 2005

	Balance December 31, 2004	Additions	Deletions	Balance December 31, 2005
<b>Treasurer's Tax Account</b>				
<b>Assets</b>				
Restricted cash and cash equivalents	7,740,559	24,868,216	22,114,367	10,494,408
Accounts receivable	495,624	638,062	495,624	638,062
<b>Total Assets</b>	<u>8,236,183</u>	<u>25,506,278</u>	<u>22,609,991</u>	<u>11,132,470</u>
<b>Liabilities</b>				
Due to tax units	<u>8,236,183</u>	<u>25,506,278</u>	<u>22,609,991</u>	<u>11,132,470</u>
<b>Midway Bond Holding Fund</b>				
<b>Assets</b>				
Restricted cash and cash equivalents	<u>27,038</u>	<u>907</u>		<u>27,945</u>
<b>Liabilities</b>				
Collections payable	<u>27,038</u>	<u>907</u>		<u>27,945</u>
<b>Clerk's Court Trust Fund</b>				
<b>Assets</b>				
Restricted cash and cash equivalents	<u>256,635</u>	<u>184,725</u>	<u>202,480</u>	<u>238,880</u>
<b>Liabilities</b>				
Collections payable	<u>256,635</u>	<u>184,725</u>	<u>202,480</u>	<u>238,880</u>
<b>Payroll Fund</b>				
<b>Assets</b>				
Restricted cash and cash equivalents	15,464	1,598,995	1,241,863	372,596
Accounts receivable	<u>28,960</u>	<u>22,071</u>	<u>28,960</u>	<u>22,071</u>
<b>Total Assets</b>	<u>44,424</u>	<u>1,621,066</u>	<u>1,270,823</u>	<u>394,667</u>
<b>Liabilities</b>				
Collections payable	<u>44,424</u>	<u>1,621,066</u>	<u>1,270,823</u>	<u>394,667</u>
<b>Justice Court Trust Fund</b>				
<b>Assets</b>				
Restricted cash and cash equivalents	<u>85,854</u>	<u>405,504</u>	<u>445,161</u>	<u>46,197</u>
<b>Liabilities</b>				
Collections payable	<u>85,854</u>	<u>405,504</u>	<u>445,161</u>	<u>46,197</u>
<b>Totals - All Agency Funds</b>				
<b>Assets</b>				
Restricted cash and cash equivalents	8,125,550	27,058,347	24,003,871	11,180,026
Accounts receivable	<u>524,584</u>	<u>660,133</u>	<u>524,584</u>	<u>660,133</u>
<b>Total Assets</b>	<u>8,650,134</u>	<u>27,718,480</u>	<u>24,528,455</u>	<u>11,840,159</u>
<b>Liabilities</b>				
Due to taxing units	8,236,183	25,506,278	22,609,991	11,132,470
Collections payable	<u>413,951</u>	<u>2,212,202</u>	<u>1,918,464</u>	<u>707,689</u>
<b>Total Liabilities</b>	<u>8,650,134</u>	<u>27,718,480</u>	<u>24,528,455</u>	<u>11,840,159</u>

## Combining Balance Sheet for Nonmajor Funds

December 31, 2005

	General		Special Revenue Funds										Capital Project Funds				Debt	
	Fund		Health	Parks & Recreation	Municipal Services	Library	Convention Bureau	Tourist & Recreation	Liquor Distribution	Emergency 911 Service	Correctional Facilities	Library & Senior Citz.	Was. Co. Fire Protect.	Municipal Building Auth.	Funds	Total		
ASSETS																		
Cash & Cash Equivalents	151,814	251,421				72,297	57,377	45,971	42,763	109,637		1,012,746	17,091	294,269	2,604	2,057,990		
Restricted Cash & Cash Equivalents																		
Receivable with Treasurer		104,817	274,858			255,111									22,787	137,564		
Accounts Receivable		118,843			118,156		36,764	32,183	156	22,770			13,746			634,786		
Due from Other Funds		203,611			487,018					7,681						698,310		
Due from Other Govt. Entities	299,402															299,402		
Total Assets	451,216	678,692	274,858	605,174	327,408	94,141	78,154	42,919	140,088			1,012,746	145,614	294,269	25,391	4,170,670		
LIABILITIES AND FUND BALANCES																		
Liabilities																		
Accounts Payable	1,135	8,122	1,155	8,410	6,174					2,360			19,187			46,543		
Accrued Payroll	370															370		
Accrued Compensated Absenses		74,546	9,974	15,047								47,376				99,567		
Due to Fire District																47,376		
Due to Other Funds			494,699													494,699		
Other Liabilities	5,556															5,556		
Total Liabilities	7,061	82,668	505,828	8,410	21,221	0	0	0	0	2,360		47,376	19,187	0	0	694,111		
Fund balances																		
Reserved:																		
Impact Fees												965,370				965,370		
Liquor Distribution									42,919							42,919		
Emergency 911 Service										137,728						137,728		
Municipal Services					596,764											596,764		
Capital Projects Funds													126,427	294,269		420,696		
Debt Service Funds															25,391	25,391		
Unreserved:																		
General Funds	444,155															444,155		
Special Revenue Funds		596,024	(230,970)	306,187	94,141	78,154										843,536		
Total Fund Balances	444,155	596,024	(230,970)	596,764	306,187	94,141	78,154	42,919	137,728			965,370	126,427	294,269	25,391	3,476,559		
Total Liabilities & Fund Balance	451,216	678,692	274,858	605,174	327,408	94,141	78,154	42,919	140,088			1,012,746	145,614	294,269	25,391	4,170,670		

**Wasatch County**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Nonmajor Governmental Funds**  
**For the Year Ended December 31, 2005**

	General Fund	Special Revenue Funds							Capital Project Funds			Debt Service Funds	Total	
	Was. Co. Fire Protect.	Health	Parks & Recreation	Municipal Services	Library	Convention Bureau	Tourist & Recreation	Liquor Distribution	Emergency 911 Services	Correctional Facilities	Library & Senior Citiz.	Was. Co. Fire Protect.	Municipal Building Auth.	Nonmajor Govt Funds
<b>Revenues</b>														
Property Taxes - Current	485,828	229,334	529,933		493,512									1,738,607
Property Taxes - Delinquent	48,577	23,789	44,882		33,999									151,247
Fee in Lieu of Taxes	44,452	20,181	46,761		43,479									154,873
Tourist & Recreation Tax							206,039							206,039
Transient Room Taxes						266,374								266,374
Intergovernmental Revenue	41,556	978,090		600,165	5,466			21,175			53,012			1,699,464
Charges for Services		257,156	184,522	14,575				283	132,162					588,698
Impact Fees										558,571				558,571
Interest Revenue	14,827	13,513	561	14,814	1,310	864	1,660	1,348	4,100	26,766	4,240	9,554	285	93,842
Miscellaneous	101,830	21,579	4,719	11,737	10,464									150,329
Total	737,070	1,543,642	811,378	641,291	588,230	267,238	207,699	22,806	136,262	585,337	57,252	9,554	285	5,608,044
<b>Expenditures</b>														
Salaries & Wages	312,212	638,294	271,446	6,269	150,229									1,378,450
Employee Benefits	32,364	290,484	93,480	2,075	65,864									484,267
Materials, Supplies & Services	380,131	583,579	312,348	494,116	258,511	319,250			32,189	194,286	54,189		560	2,629,159
Capital outlay	5,068							21,395	35,190		41,502			103,155
Debt Service			150,593							9,440			19,953	179,986
Total	729,775	1,512,357	827,867	502,460	474,604	319,250	0	21,395	67,379	203,726	95,691	0	20,513	4,775,017
Excess of Revenues Over (Under) Expenditures	7,295	31,285	(16,489)	138,831	113,626	(52,012)	207,699	1,411	68,883	381,611	(38,439)	9,554	(20,228)	833,027
<b>Other financing sources (uses)</b>														
Contributions from private sources					25,796									25,796
Transfers from other funds			131,617			150,000							22,136	303,753
Transfers to other funds					(61,812)	(200,000)			(39,050)	(154,595)				(455,457)
Total other fin. sources (uses)	0	0	131,617	0	25,796	88,188	(200,000)	0	(39,050)	(154,595)	0	0	22,136	(125,908)
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	7,295	31,285	115,128	138,831	139,422	36,176	7,699	1,411	29,833	227,016	(38,439)	9,554	1,908	707,119
Fund Balances - Beginning	436,860	564,739	(346,098)	457,933	166,765	57,965	70,455	41,508	107,895	738,354	164,866	284,715	23,483	2,769,440
Fund Balances - Ending	444,155	596,024	(230,970)	596,764	306,187	94,141	78,154	42,919	137,728	965,370	126,427	294,269	25,391	3,476,559

Wasatch County  
**Combining Statement of Net Assets**  
**Nonmajor Proprietary Funds**  
December 31, 2005

	Nonmajor Business-Type Activities - Enterprise Funds				Total
	Heber Estates District	Wasatch View Acres District	Strawberry Lakeview District	Special Service Area #1	
<b>Assets</b>					
<b>Current Assets</b>					
Cash & Cash Equivalents	2,522		21,572	193,855	217,949
Receivables - Net	3,290	3,745	2,051	326,248	335,334
<b>Total Current Assets</b>	<u>5,812</u>	<u>3,745</u>	<u>23,623</u>	<u>520,103</u>	<u>553,283</u>
<b>Noncurrent Assets</b>					
Equipment			1,696	49,724	51,420
Infrastructure	127,715	342,962	400,500	3,866	875,043
Accumulated Depreciation	(27,671)	(110,486)	(56,791)	(41,294)	(236,242)
<b>Total Noncurrent Assets</b>	<u>100,044</u>	<u>232,476</u>	<u>345,405</u>	<u>12,296</u>	<u>690,221</u>
<b>Total Assets</b>	<u>105,856</u>	<u>236,221</u>	<u>369,028</u>	<u>532,399</u>	<u>1,243,504</u>
<b>Liabilities</b>					
<b>Current liabilities</b>					
Accounts Payable			87	649	736
Accrued Interest Payable	1,180	19			1,199
Accrued Payroll & Related Expenses				4,054	4,054
Due to Other Funds		10,333			10,333
Due to Other Governmental Entities			234	260,147	260,381
Current Portion of Notes Payable	9,465	5,911			15,376
<b>Total Current Liabilities</b>	<u>10,645</u>	<u>16,263</u>	<u>321</u>	<u>264,850</u>	<u>292,079</u>
<b>Noncurrent Liabilities</b>					
Notes Payable	27,002	6,134			33,136
Other Noncurrent Liabilities			124,000		124,000
<b>Total Noncurrent Liabilities</b>	<u>27,002</u>	<u>6,134</u>	<u>124,000</u>	<u>0</u>	<u>157,136</u>
<b>Total Liabilities</b>	<u>37,647</u>	<u>22,397</u>	<u>124,321</u>	<u>264,850</u>	<u>449,215</u>
<b>Net Assets</b>					
Invested in Capital Assets, Net of Related Debt	62,397	220,412	345,405	12,296	640,510
Unrestricted	5,812	(6,588)	(100,698)	255,253	153,779
<b>Total Net Assets</b>	<u>68,209</u>	<u>213,824</u>	<u>244,707</u>	<u>267,549</u>	<u>794,289</u>

Wasatch County  
**Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets**  
**Nonmajor Proprietary Funds**  
For the Year Ended December 31, 2005

	Nonmajor Business-Type Activities - Enterprise Funds				
	Heber Estates District	Wasatch View Acres District	Strawberry Lakeview District	Special Service Area #1	Total
<b>Operating Revenues</b>					
Charges for sales and services	15,730	32,606	9,435	443,313	501,084
Miscellaneous Revenues	471	321	15,000		15,792
Total Operating Revenues	16,201	32,927	24,435	443,313	516,876
<b>Operating Expenses</b>					
Materials, Supplies & Services		424	8,972	376,293	385,689
Depreciation Expense			8,180	6,064	14,244
Total Operating Expenses	0	424	17,152	382,357	399,933
Operating Income (Loss)	16,201	32,503	7,283	60,956	116,943
<b>Nonoperating Revenues (Expenses)</b>					
Interest revenue			162	4,758	4,920
Interest Expense	(1,976)	(834)			(2,810)
Total Nonoperating Revenues (Expenses)	(1,976)	(834)	162	4,758	2,110
Income (Loss)	14,225	31,669	7,445	65,714	119,053
<b>Change in Net Assets</b>	14,225	31,669	7,445	65,714	119,053
Total Net Assets - Beginning	53,984	182,155	237,262	201,835	675,236
Total Net Assets - Ending	68,209	213,824	244,707	267,549	794,289



Wasatch County  
Combining Statement of Cash Flows  
Nonmajor Proprietary Funds  
For the Year Ended December 31, 2005

Nonmajor Business Type Activities - Enterprise Funds				
Heber Estates District	Wasatch View Acres District	Strawberry Lakeview District	Special Service Area #1	Total
13,113	6,579	24,429 (21,476)	419,561 (321,105) (76,172)	463,682 (342,581) (76,172)
13,113	6,579	2,953	22,284	44,929
(11,924) (1,977)	(5,745) (834)			(17,669) (2,811)
(13,901)	(6,579)	0	0	(20,480)
		162	4,758	4,920
0	0	162	4,758	4,920
(788) 0 (788)	0 0 0	3,115 18,457 21,572	27,042 166,813 193,855	29,369 185,270 214,639
16,201	32,503	7,283	60,956	116,943
(3,292)	9,055	8,180 (6)	6,064 (23,752) (21,317)	14,244 (17,995) (21,317)
204	15 (34,994)	(12,504)	333	(11,952) (34,994)
(3,088)	(25,924)	(4,330)	(38,672)	(72,014)
13,113	6,579	2,953	22,284	44,929

Wasatch County  
**Combining Statement of Net Assets**  
Internal Service Funds  
December 31, 2005

	Internal Service Funds			Total
	Computer Replacement	Auto Fleet Maintenance	Auto Fleet Replacement	
<b>Assets</b>				
<b>Current Assets</b>				
Cash & Cash Equivalents	26,051	54,129	37,871	118,051
<b>Total Current Assets</b>	<u>26,051</u>	<u>54,129</u>	<u>37,871</u>	<u>118,051</u>
<b>Capital Assets</b>				
Vehicles			253,023	253,023
Accumulated Depreciation			(24,730)	(24,730)
<b>Total Capital Assets</b>			<u>228,293</u>	<u>228,293</u>
<b>Total Assets</b>	<u>26,051</u>	<u>54,129</u>	<u>266,164</u>	<u>346,344</u>
<b>Net Assets</b>				
Invested in Capital Assets, Net of Related Debt			228,293	228,293
Unrestricted	26,051	54,129	37,871	118,051
<b>Total Net Assets</b>	<u>26,051</u>	<u>54,129</u>	<u>266,164</u>	<u>346,344</u>

Wasatch County  
Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets

Internal Service Funds

For the Year Ended December 31, 2005

	Internal Service Funds				
	Computer Replacement	Auto Fleet Maintenance	Auto Fleet Replacement	Information System Services	Total
<b>Operating Revenues</b>					
Rent & Maintenance	108,100	53,200	90,875	347,119	599,294
Total Operating Revenues	108,100	53,200	90,875	347,119	599,294
<b>Operating Expenses</b>					
Salaries & Wages				205,140	205,140
Employee Benefits				86,480	86,480
Materials, Supplies & Services	137,830	30,555		55,499	223,884
Depreciation Expense			20,324		20,324
Total Operating Expenses	137,830	30,555	20,324	347,119	535,828
Operating Income (Loss)	(29,730)	22,645	70,551	0	63,466
Operating transfers in	55,781	31,484	195,613		282,878
Operating transfers out					0
Net Operating Transfers	55,781	31,484	195,613	0	282,878
<b>Change in Net Assets</b>	26,051	54,129	266,164	0	346,344
Total Net Assets - Beginning	0	0	0	0	0
Total Net Assets - Ending	26,051	54,129	266,164	0	346,344

Wasatch County  
Combining Statement of Cash Flows  
Internal Service Funds  
For the Year Ended December 31, 2005

	Internal Service Funds				
	Computer Replacement	Auto Fleet Maintenance	Auto Fleet Replacement	Information System Services	Total
<b>Cash Flows From Operating Activities</b>					
Receipts from interfund services provided	108,100	53,200	90,875	347,119	599,294
Payments to suppliers	(137,830)	(30,555)		(55,499)	(223,884)
Payments to employees				(291,620)	(291,620)
Net cash provided (used) by operating activities	(29,730)	22,645	90,875	0	83,790
<b>Cash Flows From Noncapital Financing Activities</b>					
Operating transfers	55,781	31,484	61,516		148,781
Net cash provided (used) by noncapital financing activities	55,781	31,484	61,516	0	148,781
<b>Cash Flows From Capital and Related Financing Activities</b>					
Purchase of capital assets			(114,520)		(114,520)
Net cash provided (used) by capital and related financing activities	0	0	(114,520)	0	(114,520)
Net increase (decrease) in cash and cash equivalents	26,051	54,129	37,871	0	118,051
Cash and cash equivalents, January 1	0	0	0	0	0
Cash and cash equivalents, December 31	26,051	54,129	37,871	0	118,051
<b>Reconciliation of operating income to net cash provided (used) by operating activities</b>					
Operating income (loss)	(29,730)	22,645	70,551	0	63,466
Adjustments to reconcile operating income to net cash provided (used) by operating activities:					
Depreciation expense			20,324		20,324
Total adjustments	0	0	20,324	0	20,324
Net cash provided (used) by operating activities	(29,730)	22,645	90,875	0	83,790

**TREASURER'S  
STATEMENTS**

WASATCH COUNTY

Statement of Taxes Charged, Collected, and Dispersed - Current and Prior Years

For the Year Ended December 31, 2005

	OTHER COLLECTIONS																	
Taxing Units																		
County Funds																		
	Year-End Centrally Assessed Property Valuation In Dollars	Year-End Personal Property Valuation In Dollars	Prior Year Centrally Assessed Property Tax Rate	Real & Centrally Assessed Property Taxes Charged	Personal Property Taxes Charged	Total Taxes Charged	Unpaid Taxes	Abatements	Other	Total Treasurer's Relief	Net Taxes Collected	Collected Rate	Fee in Lieu	Tax	Interest/ Penalties	Delinquencies		
General Library	1,857,082,461	62,918,593	0.001715	3,231,362	49,477	3,280,839	166,161	18,836	(119,483)	65,514	3,215,325	98.0%	281,385	262,930	155,695			
Health	1,857,082,461	62,918,593	0.000260	499,200	7,645	506,845	25,670	2,910	(18,459)	10,121	496,724	98.0%	43,479	32,743	1,362			
Assessing & collecting taxes	1,857,082,461	62,918,593	0.000121	232,320	3,548	235,869	11,946	1,354	(8,389)	4,711	231,158	98.0%	20,181	22,600	1,246			
	1,857,082,461	62,918,593	0.000301	560,324	8,684	569,008	28,829	3,268	(20,745)	11,352	557,972	98.0%	49,386	55,098	3,044			
County Bonds	1,857,082,461	62,918,593	0.000330	633,600	13,126	646,727	32,581	3,694	(23,925)	12,352	634,377	98.1%	74,653	76,931	3,848			
Parks and Recreation	1,857,082,461	62,918,593	0.000067	128,640	3,260	131,900	6,615	750	(4,944)	2,421	129,479	98.2%	18,540	22,325	1,302			
Parks and Recreation Special Service District #21	1,857,082,461	62,918,593	0.000280	537,600	8,222	545,822	27,644	3,134	(19,877)	10,901	534,921	98.0%	46,761	42,905	2,098			
School Districts	Basic St School Levy	62,918,593	0.001720	3,302,402	51,929	3,354,331	169,814	19,251	(122,307)	66,758	3,287,573	98.0%	295,331	327,054	17,852			
	Wasatch County School District	62,918,593	0.003408	6,543,364	89,866	6,633,230	336,469	38,144	(240,450)	134,163	6,499,067	98.0%	511,087	524,673	26,062			
	Wasatch County School District Bond	62,918,593	0.001495	2,870,402	36,898	2,907,300	147,600	16,733	(105,113)	59,220	2,848,080	98.0%	209,849	263,139	15,971			
Cities and Towns	Heber City	386,053,557	8,860,108	0.001285	507,464	22,393	529,857	18,451	7,002	(7,191)	18,262	511,595	96.6%	82,607	44,943	2,204		
	Midway	280,134,642	2,923,460	0.000868	245,694	3,114	249,108	15,833	1,300	(9,827)	7,306	241,802	97.1%	21,938	14,425	776		
	Charleston	30,961,044	770,006	0.000457	14,501	22	14,524	312	174	(314)	172	14,352	98.8%	3,639	481	12		
	Wallsburg	9,028,652	2,162,939	0.000805	9,009	136	9,145	457	412	(249)	620	8,525	93.2%	1,895	337	12		
	Park City	89,495,339	68,897	0.002349	210,386	2	210,388			(326)	(326)	210,714	100.2%	129	7,547			
Other Districts	Fire Protection Special Service District	1,789,816,558	62,021,186	0.000269	498,144	7,818	505,962	26,494	3,010	(18,559)	10,945	495,017	97.8%	44,452	45,917	2,581		
	Central Utah Water Conservancy District	1,857,082,461	62,918,593	0.000400	768,000	10,184	778,184	39,492	4,477	(28,169)	15,800	762,384	98.0%	57,918	64,806	3,588		
	Charleston Water Conservancy District	30,479,756	769,641	0.000046	1,437	2	1,440	36	17	(9)	34	1,406	97.6%	381	98	1		
	Soldier Summit Special Service District	493,037	886,657	0.001846	2,547	3	2,550	442	2		444	2,106	82.6%	29	9,900	24		
	Park City Fire District	66,772,866	10,750	0.001132	75,599	1	75,600			1	1	75,599	100.0%	30	3,292			
	Midway Sanitation District	370,971,995	4,551,038	0.000071	26,662	285	26,947	1,625	119	(1,535)	209	26,738	99.2%	1,970	1,503	76		
															1,765,640	1,823,647	237,754	

# WASATCH COUNTY

## Statement of Treasurer's Receipts and Disbursements - Tax Collection Agency Fund

For the Year Ended December 31, 2005

	Treasurer's Balance January 1, 2005	Tax Collection Receipts	Current Taxes Apportioned	Delinquent Taxes, Interest, and Other Apportioned	Total	Disbursements	Treasurer's Balance December 31, 2005
<b>Treasurer's Collection Accounts</b>							
Current years taxes		22,714,380	22,714,380				
Redemption of prior years taxes		1,870,186		1,870,186			
Penalties, interest, and costs		237,754		237,754			
Interest due to General Fund	26,311	45,896		21,000	51,207		51,207
	26,311	24,868,216	22,714,380	2,128,940	51,207		51,207
<b>Taxing Units</b>							
<b>County Funds</b>							
General	1,295,638		3,516,089	420,981	5,232,708	3,561,304	1,671,404
Government Buildings	331,891		709,097	71,754	1,112,742	787,486	325,256
Library Bond	3,752			9,630	13,382	13,152	230
Library	195,011		540,247	34,477	769,735	514,625	255,110
Health	91,780		251,358	24,011	367,149	248,306	118,843
Park and Recreation Bond	84,526		148,035	23,777	256,338	189,806	66,532
Assessing & collecting taxes	224,591		607,407	58,546	890,544	603,690	286,854
<b>School Districts</b>							
Basic St School Levy	1,343,230		3,583,197	347,317	5,273,744	3,583,619	1,690,125
Wasatch County School District	2,323,635		7,012,176	553,425	9,889,236	6,547,808	3,341,428
Wasatch County School District Bond	954,854		3,059,847	280,124	4,294,825	2,829,992	1,464,833
<b>Cities and Towns</b>							
Heber City	190,779		594,517	47,099	832,395	561,231	271,164
Midway	88,779		263,688	15,404	367,871	245,075	122,796
Charleston	5,262		18,000	509	23,771	18,023	5,748
Wallsburg	3,173		10,426	358	13,957	9,095	4,862
Park City	130,565		210,932	7,810	349,307	207,435	141,872
<b>Other Districts</b>							
Parks & Recreation Special Service District #21	211,060		581,729	45,395	838,184	563,326	274,858
Fire Protection Special Service District	192,903		539,503	48,839	781,245	528,635	252,610
Central Utah Water Conservancy District	263,435		820,642	68,866	1,152,943	760,920	392,023
Charleston Water Conservancy District	468		1,788	100	2,356	1,789	567
Soldier Summit Special Service District	1,660		2,139	9,926	13,725	13,402	323
Park City Fire District	38,911		75,672	3,383	117,966	69,604	48,362
Midway Sanitation District	9,966		28,688	1,603	40,257	27,206	13,051
Midway Sewer Improvement District	3,576		4,332	3,930	11,838	8,573	3,265
Heber Estates	1,896		5,320	379	7,595	4,321	3,274
Twin Creeks SSD	342		1,617	9,453	11,412	10,219	1,193
Wasatch View Acres	3,338		1,045		4,383	3,338	1,045
Timberlakes				350	350	350	
Transfer Station			3,334		3,334	3,118	216
Timberlakes Water	8,559		4,831	23,253	36,643	34,695	1,948
Solid Waste Disposal Special Service District	39,640		118,724	18,241	176,605	96,961	79,644
	8,043,220		22,714,380	2,128,940	32,886,540	22,047,104	10,839,436
	8,069,531	24,868,216	-	-	32,937,747	22,047,104	10,890,643

**COMPLIANCE  
SECTION**





# HAWKINS CLOWARD & SIMISTER

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## REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENT PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Honorable County Council Members  
Wasatch County  
Heber City, Utah

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Wasatch County as of and for the year ended December 31, 2005, which collectively comprise the County's basic financial statements and have issued our report thereon dated June 20, 2006. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

### Internal Control Over Financial Reporting

In planning and performing our audit, we considered Wasatch County's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

### Compliance and Other Matters

As part of obtaining reasonable assurance about whether Wasatch County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Honorable County Council Members

Wasatch County

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This report is intended solely for the information of management, federal awarding agencies, pass-through entities and the Utah State Auditor's Office and is not intended to be and should not be used by anyone other than these specified parties.

*Hawkins Cloward & Simister, LC*

HAWKINS CLOWARD & SIMISTER, LC  
CERTIFIED PUBLIC ACCOUNTANTS

June 20, 2006



# HAWKINS CLOWARD & SIMISTER

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## REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

Honorable County Council Members  
Wasatch County  
Heber City, Utah

### Compliance

We have audited the compliance of Wasatch County, Utah with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended December 31, 2005. The County's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal programs is the responsibility of Wasatch County's management. Our responsibility is to express an opinion on the County's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Wasatch County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on Wasatch County's compliance with those requirements.

In our opinion, Wasatch County complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 2005. The results of our auditing procedures disclosed no instances of noncompliance with those requirements that is required to be reported in accordance with OMB Circular A-133.

### Internal Control over Compliance

The management of Wasatch County, Utah is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered Wasatch

County's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants caused by error of fraud that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

#### Schedule of Expenditures of Federal Awards

We have audited the financial statements of Wasatch County as of and for the year ended December 31, 2005 and have issued our report thereon dated June 20, 2006. Our audit was performed for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

This report is intended for the information of management, federal awarding agencies, pass-through entities and the Utah State Auditor's Office and is not intended to be and should not be used by anyone other than these specified parties.

*Hawkins Cloward & Simister, LC*  
HAWKINS CLOWARD & SIMISTER, LC  
CERTIFIED PUBLIC ACCOUNTANTS

June 20, 2006

## WASATCH COUNTY

### Schedule of Findings and Questioned Costs – Current Year

December 31, 2005

#### A. Summary of Audit Results

1. The auditor's report expresses an unqualified opinion on the basic financial statements of Wasatch County.
2. Reportable conditions relating to the audit of the financial statements are reported in the Report on Compliance and on the Internal Control over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*. There were no reportable conditions.
3. No instances of noncompliance material to the financial statements of Wasatch County were disclosed during the audit.
4. There were no material weaknesses identified in the internal control over major programs of Federal Awards. Also, there were no reportable conditions identified.
5. The auditor's report on compliance for the major federal awards programs for Wasatch County expresses an unqualified opinion.
6. There were no audit findings relative to the major federal award programs for Wasatch County.
7. The programs tested as major programs were the Special Supplemental Food Program for Women, Infants and Children CFDA No. 10.557 and the Homeland Security Grant CFDA Nos. 16.007, 97.004, and 97.067.
8. The threshold for distinguishing Types A and B programs was \$300,000.
9. Wasatch County was determined to be a low-risk auditee.

#### B. Findings – Financial Audit Current Year

There were no findings.

#### C. Current Year Status of Prior Year Findings

There were no findings.

# **WASATCH COUNTY**

## **Schedule of Expenditures of Federal Awards**

For The Year Ended December 31, 2005

Federal Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	Direct or Pass-Through Grantor's Number	Program Expenditures
<b><u>U.S. Department of Agriculture</u></b>			
Passed Through Utah Department of Health, Public Health Services:			
Special Supplemental Food Program for Women, Infants and Children - Food Funding	10.557	05-1091	158,317
Special Supplemental Food Program for Women, Infants and Children - Administrative Funding	10.557	05-1091	95,827
Special Supplemental Food Program for Women, Infants and Children - Food Funding	10.557	05-1091	46,589
Special Supplemental Food Program for Women, Infants and Children - Administrative Funding	10.557	05-1091	34,428
			<u>335,161</u>
Passed Through the State Department of Natural Resources:			
Schools and Roads - Grants to Counties	10.666	NONE	71,550
Natural Resources Conservation Service:			
Watershed Protection and Flood Prevention	10.904	60-8D43-4-93	64,571
TOTAL DEPARTMENT OF AGRICULTURE			<u>471,282</u>
<b><u>U.S. Department of Housing &amp; Urban Development</u></b>			
Passed through the State Department of Community & Economic Development, Division of Community Development:			
Community Development Block Grant	14.228	04-2084	53,012
TOTAL DEPARTMENT OF HOUSING & URBAN DEVELOPMENT			<u>53,012</u>
<b><u>U.S. Department of Justice</u></b>			
Passed through the Utah Department of Public Safety:			
Cops In School Grant	16.000	2002SHWX0604	18,354
			<u>18,354</u>
Enforcing Underage Drinking Laws Program	16.727	OJJ5-J157	4,118
			<u>4,118</u>
Crime Victims Assistance	16.575	04 VOCA 54	27,764
Crime Victims Assistance	16.575	04 VOCA 54	4,971
			<u>32,735</u>
Passed through the Utah Commission on Criminal and Juvenile Justice:			
Bulletproof Vest Partnership Program Grant	16.607	N/A	175
Edward Byrne Memorial Formula Grant Program	16.579	2D58	6,011
			<u>6,186</u>
TOTAL DEPARTMENT OF JUSTICE			<u>61,393</u>
<b><u>U.S. Department of Homeland Security</u></b>			
Passed through the Utah Department of Public Safety:			
Homeland Security Grant	16.007	DES-2003-ODP1-02	13,147
Homeland Security Grant	16.007	DES-2003-ODP2-02	4,852
Homeland Security Grant	97.004	DES-2004-SHSP-002	121,106
Homeland Security Grant	97.004	DES-2004-LETP-002	117,669
Homeland Security Grant	97.067	DES-2005-SHSP-002	155,932
Homeland Security Grant	97.067	DES-2005-LETP-002	59,548
			<u>472,254</u>
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	NONE	75,256
			<u>75,256</u>
TOTAL DEPARTMENT OF HOMELAND SECURITY			<u>547,510</u>

See accompanying notes to Schedule of Expenditures of Federal Awards.

# WASATCH COUNTY

## Schedule of Expenditures of Federal Awards

For The Year Ended December 31, 2005

Federal Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	Direct or Pass-Through Grantor's Number	Program Expenditures
<b><u>U.S. Department of Transportation</u></b>			
Passed through the Utah Department of Public Safety:			
Highway Safety Project	20.600	CP05-02-24	7,806
Highway Safety Project	20.600	CP05-02-24	2,296
			<u>10,102</u>
<b>TOTAL DEPARTMENT OF TRANSPORTATION</b>			<u>10,102</u>
<b><u>U.S. Environmental Protection Agency</u></b>			
Passed through the West Virginia University Research Corporation:			
National Onsite Demonstration Project - Phase VII	66.000	84-430G-WCHD	12,758
			<u>12,758</u>
Passed through the Utah Department of Environmental Quality:			
LHD Environmental Services	66.605	05-0569	2,800
LHD Environmental Services	66.605	05-0569	2,580
			<u>5,380</u>
<b>TOTAL ENVIRONMENTAL PROTECTION AGENCY</b>			<u>18,138</u>
<b><u>Federal Emergency Management Agency</u></b>			
Passed through the Utah State Division of Comprehensive Emergency Management:			
Emergency Management - State and Local Assistance	97.042	SLA-2005-DES-0026	7,000
<b>TOTAL FEDERAL EMERGENCY MANAGEMENT AGENCY</b>			<u>7,000</u>
<b><u>U.S. Department of Health and Human Services</u></b>			
Passed Through Mountainland Association of Governments:			
Special Programs for Aging, Title III, Part C,			
Nutrition Services	93.045	NONE	15,662
Special Programs for Aging, Title III, Part C,			
Nutrition Services	93.045	NONE	16,905
			<u>32,567</u>
Title XX for Drug and Alcohol	93.667	NONE	2,791
			<u>2,791</u>
Passed Through Utah State Department of Human Services:			
Drug Free Schools	84.186	03-0784	1,806
			<u>1,806</u>
Block Grants for Community Mental Health Services	93.958	04-1329	9,996
Block Grants for Community Mental Health Services	93.958	205754	21,800
			<u>31,796</u>
Block Grants for Prevention and Treatment of Substance Abuse	93.959	03-0784	65,754
Block Grants for Prevention and Treatment of Substance Abuse	93.959	206485	101,404
			<u>167,158</u>
Consolidated Knowledge Development and Application Program	93.230	02-1829	52,620
			<u>52,620</u>
TB Elimination Cooperative Agreement	93.116	04-1821	1,263
			<u>1,263</u>
Immunization Program	93.268	05-0007	20,878
Immunization Program	93.268	05-2468	21,563
Immunization Program - Vaccine	93.268	NONE	74,714
			<u>117,155</u>

See accompanying notes to Schedule of Expenditures of Federal Awards.

# WASATCH COUNTY

## Schedule of Expenditures of Federal Awards

For The Year Ended December 31, 2005

Federal Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	Direct or Pass-Through Grantor's Number	Program Expenditures
Centers For Disease Control and Prevention - Investigations and Technical Assistance	93.283	04-2021	21,187
Centers For Disease Control and Prevention - Investigations and Technical Assistance	93.283	06-0137	10,914
Centers For Disease Control and Prevention - Investigations and Technical Assistance	93.283	04-2021	3,973
Centers For Disease Control and Prevention - Investigations and Technical Assistance	93.283	06-0137	5,308
Centers For Disease Control and Prevention - Investigations and Technical Assistance	93.283	05-1348	137,929
Centers For Disease Control and Prevention - Investigations and Technical Assistance	93.283	05-1348	49,315
			<u>228,626</u>
Abstinence Education Block Grant Program	93.235	03-2095	7,967
Abstinence Education Block Grant Program	93.235	05-0007	4,002
			<u>11,969</u>
Medical Assistance Program	93.778	06-0323	348
Medical Assistance Program	93.778	06-0323	1,344
Medical Assistance Program	93.778	04-2171	233
Medical Assistance Program	93.778	04-2171	1,591
Consumer Education & Assistance	93.778	04-2171	1,579
Consumer Education & Assistance	93.778	06-0323	2,898
			<u>7,993</u>
Preventive Health Services Sexually Transmitted Disease Control Grants	93.977	179091	300
			<u>300</u>
Preventive Health and Health Services Block Grant	93.991	04-2021	37,523
Preventive Health and Health Services Block Grant	93.991	06-0137	14,293
			<u>51,816</u>
Maternal and Child Health Services Title V Block Grant	93.994	05-0007	81
Maternal and Child Health Services Title V Block Grant	93.994	05-2468	1,174
Maternal and Child Health Services Title V Block Grant	93.994	05-0007	9,848
Maternal and Child Health Services Title V Block Grant	93.994	05-2468	9,848
Maternal and Child Health Services Title V Block Grant	93.994	04-2021	5,898
Maternal and Child Health Services Title V Block Grant	93.994	06-0137	19,114
			<u>45,963</u>
TOTAL DEPARTMENT OF HEALTH AND HUMAN SERVICES			<u>753,823</u>
<b>Department of Interior - Bureau of Land Management</b>			
Law Enforcement on Forest Service Land	15.000	01-LE-11041810-001	25,225
Law Enforcement on Forest Service Land	15.000	01-LE-11046000-030	2,000
TOTAL DEPARTMENT OF INTERIOR			<u>27,225</u>
TOTAL OTHER FEDERAL AWARDS			<u>27,225</u>
TOTAL EXPENDITURES			<u>\$ 1,949,485</u>



**WASATCH COUNTY**  
**Notes to Schedule of Expenditures of Federal Awards**  
For the Year Ended December 31, 2005

**NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES**

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Wasatch County. Revenues are recognized in the accounting period that qualifying expenditures occur. Expenditures are recognized in the accounting period in which the fund liability is incurred and measurable. The information presented in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*.

**NOTE 2 – NON-CASH ASSISTANCE**

The County had expenditures of \$279,620 in non-cash assistance. The non-cash assistance is reported at the fair market value of the disbursed commodities. The non-cash assistance of \$204,906 was expensed out of the Special Supplemental Food Program for Women, Infants and Children – Food Funding and \$76,637 was expensed out of the Immunization – Vaccine Program.

**NOTE 3 – LOANS OUTSTANDING**

Loans outstanding at December 31, 2005, in federal programs:

U.S. Department of Agriculture Hospital Renovation Note	170,940
U.S. Department of Agriculture Garbage Truck Purchase	486,101
U.S. Department of Agriculture Solid Waste Revenue Bond	10,000
U.S. Department of Agriculture Public Safety Revenue Bond	10,000



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## UTAH STATE COMPLIANCE REPORT BASED ON THE REQUIREMENTS, SPECIAL TESTS AND PROVISIONS REQUIRED BY THE STATE OF UTAH'S LEGAL COMPLIANCE AUDIT GUIDE

Honorable County Council Members  
Wasatch County  
Heber City, Utah

We have audited the basic financial statements of Wasatch County, for the year ended December 31, 2005, and have issued our report thereon dated June 20, 2006. As part of our audit, we have audited Wasatch County's compliance with the requirements governing types of services allowed or disallowed; eligibility; matching, level of effort, or earmarking; reporting; special tests and provisions applicable to each of its major State assistance programs as required by the State of Utah Legal Compliance Audit Guide for the year ended December 31, 2005. Wasatch County received the following major State assistance programs from the State of Utah:

B & C Road Funds (Department of Transportation)  
Liquor Law Enforcement (State Tax Commission)

The County also received the following nonmajor grants, which are not required to be audited for specific compliance requirements: (However, these programs were subject to test work as part of the audit of Wasatch County's financial statements.)

### Utah Department of Health

Indoor Clean Air Act	Tobacco Prevention and Control
EMS Grants Program	Environmental Health Services
TB Medication Program	Minimum Performance Standards Grant
Cancer Control	Tobacco Compliance Checks
Consumer Education and Assistance	Child Health Evaluation and Care Outreach

### Utah Department of Community and Economic Development

Public Library Service Development Grant

### Utah Department of Environmental Quality

Water Quality Contract  
Environmental Health Services

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Utah Department of Agriculture and Food

State Coyote Bounty  
Mosquito Control

Utah Office of the Attorney General

Children's Justice Center

Utah Department of Human Services

Substance Abuse Contract  
Drug Court Grant  
Mental Health Contract

Utah Department of Technology Services

Cadastral Database Collection Grant

Utah Division of Parks & Recreation

Trailhead Restroom Grant

Utah Department of Administrative Services

GIS Right-of-Way Mapping Grant

Our audit also included test work on the County's compliance with those general compliance requirements identified in the State of Utah Legal Compliance Audit Guide, including:

Public Debt  
Cash Management  
Purchasing Requirements  
Budgetary Compliance  
Truth in Taxation and Property Tax Limitations  
Liquor Law Enforcement  
Justice Courts  
Special Districts  
Other General Compliance Issues  
Department of Commerce  
Statements of Taxes Charged, Collected, and Disbursed – Current and Prior Years  
Assessing and Collecting of Property Taxes  
Transient Room Tax  
Impact Fees and Other Development Fees

Our audit also included test work on the County's compliance with the requirements identified in the State of Utah Legal Compliance Audit Guide, including:

Mental Health Contracts  
Substance Abuse Contracts

The management of Wasatch County is responsible for the County's compliance with all compliance requirements identified above. Our responsibility is to express an opinion on compliance with those

requirements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether material noncompliance with the requirements referred to above occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements. We believe that our audit provides a reasonable basis for our opinion.

The results of our audit procedures disclosed immaterial instances of noncompliance with the requirements referred to above which are described below. We considered these instances of noncompliance in forming our opinion on compliance, which is expressed in the final paragraph of this report.

## **A. CURRENT YEAR IMMATERIAL INSTANCES OF NONCOMPLIANCE**

### **Primary Government**

**1. Finding: TC-693**

The budgeted property tax revenues as reported on form TC-693 should be the same as the County's adopted budget.

**Recommendation:**

We recommend that, if necessary, the budgeted property tax revenues be amended by the County to agree with the properly completed form TC-693.

**County's Response:**

We agree with the finding and will implement the recommendation.

**2. Finding: Excess of Expenditures over Budget**

As reported in Note 8 of the Wasatch County financial statements, the incurred actual expenditures exceeded the budgeted expenditures in several funds/departments.

**Recommendation:**

We recommend the County monitor expenditures monthly to stay within departmental budgeted amounts.

**County's Response:**

We agree with the finding and will implement the recommendation.

**3. Finding: Deficit Fund Positions**

State law requires that none of the County funds be in a deficit position at the end of the fiscal year. The Parks and Recreation Special Revenue Fund is in a deficit position at 12/31/05.

**Recommendation:**

We recommend the County explore ways to generate sources of net income to restore the fund balance to a positive amount.

**County's Response:**

We agree with the finding and will implement the recommendation.

**COMPONENT UNITS**

**North Village Special Service District**

**4. Finding: Deficit Position**

For the year ended December 31, 2005, North Village SSD was in a deficit position.

**Recommendation:**

We recommend the District explore ways to generate net income to restore the retained earnings balance.

**Response:**

We agree with the finding and will implement the recommendation in so far as possible.

**B. CURRENT STATUS OF PRIOR YEAR IMMATERIAL INSTANCES OF NONCOMPLIANCE**

**PRIMARY GOVERNMENT**

**1. Finding: TC-693**

The budgeted revenues as reported on form TC-693 should be the same as the County's adopted budget.

**Status:**

See current year finding #1.

**2. Finding: Excess of Expenditures over Budget**

As reported in Note 7 of the Wasatch County financial statements, the incurred actual expenditures exceeded the budgeted expenditures in several funds.

**Status:**

See current year finding #2.

**3. Finding: Deficit Fund Positions**

State law requires that none of the County funds be in a deficit position at the end of the fiscal year. The Parks and Recreation Special Revenue Fund was in a deficit position at 12/31/05.

**Status:**

See current year finding #3.

## COMPONENT UNITS

### Wasatch County Special Service District #9

**4. Finding: Fidelity Bond**

State law requires a public treasurer to be bonded. The district did not have a bond on their treasurer.

**Status:**

This finding has been corrected.

**5. Finding: Expenditures exceed the budgeted expenditures.**

The District's actual expenditures exceeded the budgeted expenditures.

**Status:**

This finding has been corrected.

### Wasatch County Fire Protection Special Service District

**6. Finding: Expenditures in Excess of Budget**

*Utah Code*, Section 17A-1, *Part 4* states that officers and employees of the District shall not incur expenditures in excess of the total appropriations for any department or fund. The District's expenditures for the General Fund were in excess of budget.

**Status:**

This finding has been corrected.

### Timberlakes Water Special Service District

**7. Finding: Fidelity bond**

*Utah Code* 51-7-15 and Rule 4 of the Utah Money Management Council require the District to possess a fidelity bond in an amount equal to a percentage of the previous year's budgeted revenue. The District's budgeted revenue for 2003 was \$740,501. The required percentage for this level of income is 7 percent, requiring the District to be bonded for no less than \$51,835. The District did not have a fidelity bond in place at year end.

**Status:**

This finding has been corrected.

**8. Finding: Cash deposits**

*Utah Code* 51-7-15 and Rule 4 of the Utah Money Management Council require the District to deposit cash no later than three days from receipt. This policy is not being adhered to.

**Status:**

This finding has been corrected.

**North Village Special Service District**

**9. Finding: Deficit Position**

For the year ended December 31, 2004, North Village SSD was in a deficit position.

**Status:**

See current year finding.

*Hawkins Cloward & Simister, LC*  
HAWKINS CLOWARD & SIMISTER, LC  
CERTIFIED PUBLIC ACCOUNTANTS

June 20, 2006